

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

Freedom Energy, Inc.

3. ADDRESS OF OPERATOR

1050 - 17th St., Suite #710, Denver, Co 80265 303-592-3022

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

676' FNL, 1902' FEL, NW1/4, NE1/4, Sec. 12, T12S, R23E

70' At proposed prod. zone 680'

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14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

24.6 MILES SOUTH OF BONANZA, UT

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

676'

16. NO. OF ACRES IN LEASE

10,092.71

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1600'

19. PROPOSED DEPTH

4500'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5916' GR.

22. APPROX. DATE WORK WILL START*

Aug. 1, 1997

23.

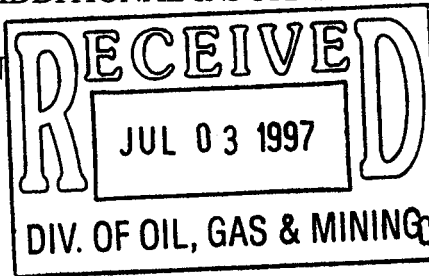
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	TO SURFACE
7 7/8	4 1/2	17	T.D.	CMT TOP TO COVER THE OIL SHALE

OPERATOR REQUESTS PERMITION TO DRILL THE SUBJECT WELL
PLEASE SEE THE ATTACHED 10 POINT AND THE 13 POINT SURFACE
USE PLAN.

IF YOU REQUIRE ADDITIONAL INFORMATION PLEASE CONTACT:

WILLIAM A. RYAN
350 S., 800 E.
VERNAL, UTAH
801-789-0968
801-823-6152



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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. WILLIAM A. RYAN

Agent

June 16, 1997

SIGNED

TITLE

DATE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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FREEDOM ENERGY, INC.

BASIS OF ELEVATION

CERTIFICATE

BELIEVED TO BE THE SAME AS
 No. 161319
 ROBERT L. KAY
 KAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

SCALE 1" = 1000'	DATE SURVEYED: 6-4-97	DATE DRAWN: 6-11-97
PARTY D.K. H.L. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FREEDOM ENERGY, INC.	

SELF-CERTIFICATION STATEMENT

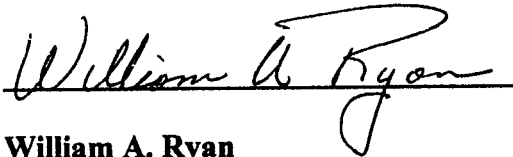
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Freedom Energy, Inc., is considered to be the operator of the following well.

**Hanging Rock Federal I #12-2
NW 1/4, NE 1/4, Section 12, T. 12 S., R. 23 E.
Lease U-47455
Uintah County, Utah**

Freedom Energy, Inc., is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage is provided by Certificate of Deposit, held in Womens Bank, 821 17th Street, Denver, Colorado 80202; Account Number UT-1001



**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
801-789-0968
801-823-6152**

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Ten Point Plan

Freedom Energy, Inc.
Hanging Rock Unit
Hanging Rock Federal
I 12-2

Surface Location NW 1/4, NE 1/4, Section 12, T. 12 S., R. 23 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	5,916' G.L.
Oil Shale	700	5,216
Wasatch	2,600	3,316
Mesaverde formation	4,500	1,416
T.D.	4,500	

3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well:	Gas Well	Hanging Rock Fed. 12-4	Sec. 12, T. 12 S., R. 23.E.
Off set well:	Gas Well	Hanging Rock Fed. 1-14	Sec. 1, T. 12 S., R. 23.E.
Off set well:	Gas Well	Hanging Rock Fed. 7-6	Sec. 7, T. 12 S., R. 23.E.

4. Proposed Casing :

The dry hole driller will use 4-10' of drive pipe. The drive pipe will not be cemented and will not be pulled.

<u>Hole</u> <u>Size</u>	<u>Casing</u> <u>Size</u>	<u>Weight/Ft.</u>	<u>Grade</u> <u>& Tread</u>	<u>Setting</u> <u>Depth</u>	<u>Casing</u> <u>New/Used</u>
12 1/2	9 5/8	36	J-55/STC	300	New
7 7/8	4 1/2	11.6	J-55/LTC	T.D.	Used/inspected

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Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Class "G" 2% Calcium 1/4 #/sk cello flake	200 sks.	1.18 cu. ft./sk.	15.6 lbs./gal.

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
4 1/2	Lead Class "G" 3 % salt 16% gell 10# Gilsonite/sk	200 sks	3.90 cu. ft./sk.	11.0 lbs./gal.
	Tail Class "G" 10% salt 10% gypsum 2% WR15 .4 lbs/sk FL 25	500 sks +/-	1.53 cu. ft./sk.	14.8 lbs./gal.

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000 psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs/gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-2000	Clear Water	----	No Control	Water/Gel
2000-T.D.	8.4-8.6	30	No Control	Water/Gel

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7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

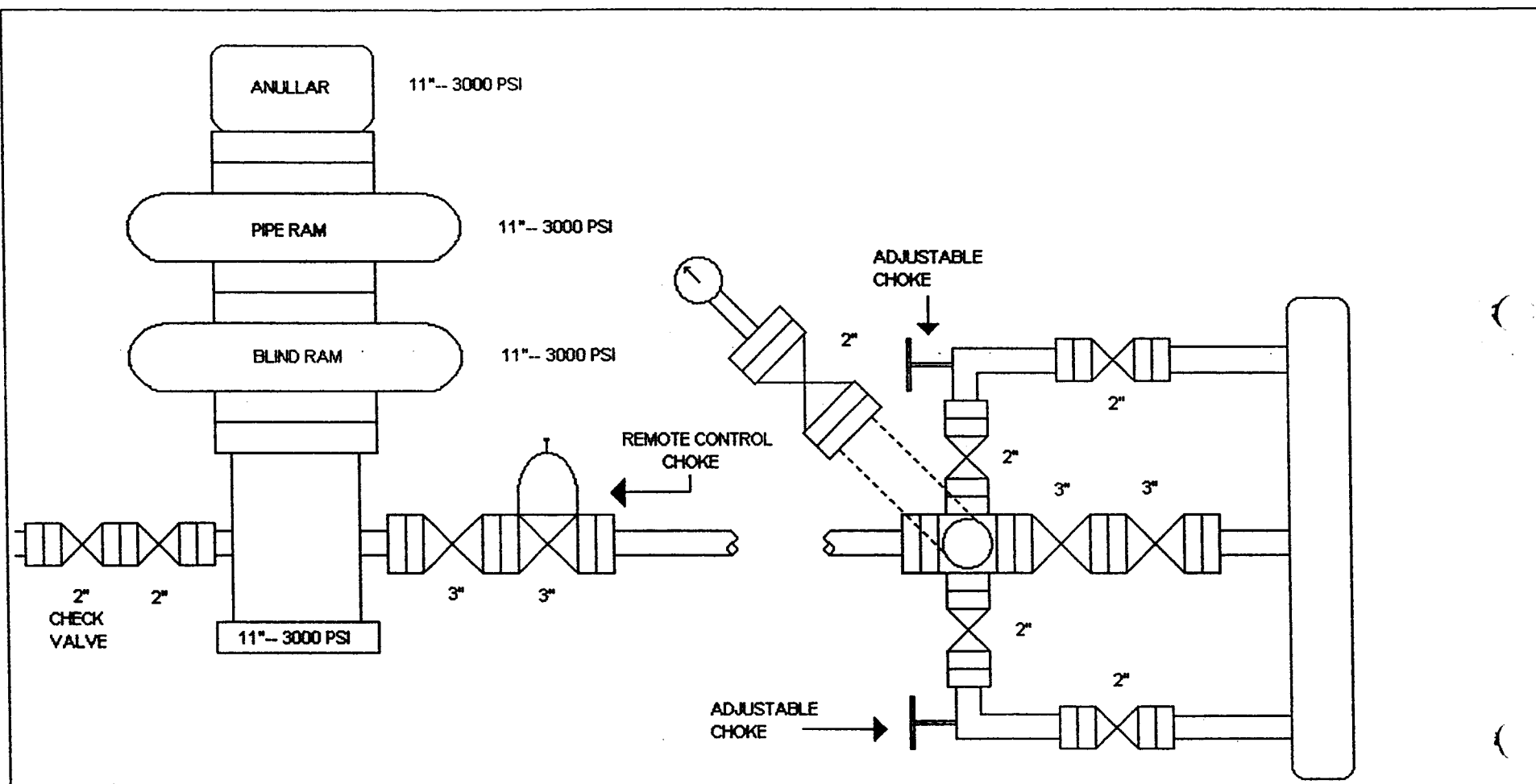
9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is August 1, 1997. Duration of operations expected to be 30 days.

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FREEDOM ENERGY, INC.
13 POINT SURFACE USE PLAN
FOR WELL
HANGING ROCK FEDERAL I
12-2
LOCATED IN
SE 1/4, SW 1/4
SECTION 1, T. 12 S., R. 23 E., U.S.B.&M.
UINTAH COUNTY, UTAH
LEASE NUMBER: UTU-47455
SURFACE OWNERSHIP: FEDERAL

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1. Existing Roads

To reach the Freedom Energy Inc., Hanging Rock Federal I 12-12 well location, in Section 12, T 12 S, R 23 E, from Bonanza, Utah:

Starting in Bonanza, Utah proceed south on the paved road for 4 miles. Turn south (left) on the Book cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals. Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign. Stay to the west (right) of the sign. This is also called the Kings Wells road. Proceed 7.7 miles to the proposed location and access road.

All roads to the proposed access road are State or County maintained roads. Please see the attached map for additional details.

2. Planned access road

The proposed location will require 1584 feet of new road construction.

The proposed road has been staked.

The road will be built to the following standards:

A) Approximate length	1,584 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal
L) All new construction on lease	Yes Hanging Rock Unit

Newly constructed roads will be built using native soils from borrow pits on either or both sides of the road. The road will be crowned and ditched. Ditches will be constructed along either side where it is determined necessary to handle run off and minimize the possibility of erosion. **Two water bars will be constructed on the access road. The water bars will have turn outs on them to insure that the water is diverted from the road way**

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All permanent (on site for more than six months or longer) structures constructed or installed will be painted a desert brown color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Desert Brown (10 YR 6/4).

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulations identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

A proposed surface gas line will be constructed and tie into an existing 4" line. The existing line is adjacent to the county road. Please see the attached location diagrams for pipe line location. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 2" or 4" steel line.

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office. All measurement facilities will conform with API and AGA standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing the subject well will be hauled by truck from Rosewoods water station in Section 13, T11S, R23E. A second location may be used, it would be Evacuation Creek permit # 49-1595 The distribution point is in Section 7, T11S, R25E. Water for completion will come from the same supply or Vernal City.

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6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravels or pit lining material will be obtained from private sources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will not be lined unless the pit is blasted or soil conditions would warrant a pit liner.

The reserve pit will not be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90 day period an application for approval for a permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

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8. Ancillary facilities

There are no ancillary facilities planned for at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follow:

A)	Pad length	325 ft.
B)	Pad width	155 ft.
C)	Pit depth	10 ft.
D)	Pit length	180 ft.
E)	Pit width	50 ft.
F)	Max cut	24.8 ft.
G)	Max fill	14.2 ft.
H)	Total cut yds	10,740 cu. yds.
I)	Pit location	south side
J)	Top soil location	west and east side
K)	Access road location	east side
L)	Flare pit	south west corner

Please see the attached location diagram for additional details.

Please note that some of the top soil location has been moved. The flare pit has also been moved.

Corner #2 will be rounded off to avoid the drainage.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

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D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped and stockpiled. This will amount to approximately 1,000 cubic yards of material. Placement of the top soil is noted on the attached location plat. When all drilling and completion activities have been completed the unused portion of the location (the area outside the dead men.) will be recontoured and the topsoil spread over the disturbed area.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Any drainage rerouted during the construction activities shall be restored to its original line of flow or as near as possible.

All disturbed areas will be recontoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rain fall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

After September 15, and before the ground freezes.

Seed will be broadcast or drilled at the time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded

area to assure seed coverage and the seed mixture will be proportionately larger (double the lbs. per acre).

At such time as the well is plugged and abandoned the operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and reseeding requirements.

11. Surface ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

12. Other information

A) Vegetation:

The vegetation coverage is slight. The majority of the existing vegetation consists of sage brush. Rabbit brush, bitter brush and Indian rice grass are also found on the location.

B) Dwellings:

There are no dwellings, or other facilities within a one mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office as soon as the report has been completed.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is in the bottom of Asphalt Wash located 2 miles to the north.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

a) Location construction

At least forty eight (48) hours prior to construction of location and access roads

b) Location completion

Prior to moving on the drilling rig.

c) Spud notice

At least twenty-four (24) hours prior to spudding the well.

d) Casing string and cementing

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

e) BOP and related equipment tests

At least twenty-four (24) hours prior to initialing pressure tests.

f) First production notice

With in five (5) business days after the new well begins, or production resumes after well has been off production for more than ninety 90 days.

H) Flare pit

The flare pit will be located a minimum of 30 feet from the reserve pit fence and 100 feet from the bore hole on the south and west side of the location, between points C and 6 on the location plat. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

Name: William A. Ryan

Address: Rocky Mountain Consulting
350 South, 800 East
Vernal, Utah 84078

Telephone:
Office 801-789-0968
Fax 801-789-0970

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Cellular

801-823-6152

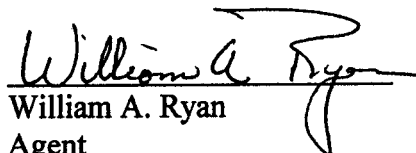
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Freedom Energy, Inc. and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date June 23, 1997


William A. Ryan
Agent
Rocky Mountain Consulting

Onsite Date:

Feb. 27, 1997

Participant on joint inspection:

William Ryan

Byron Tolman

Rocky Mountain Consulting

BLM

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Statement of use of Hazardous Material

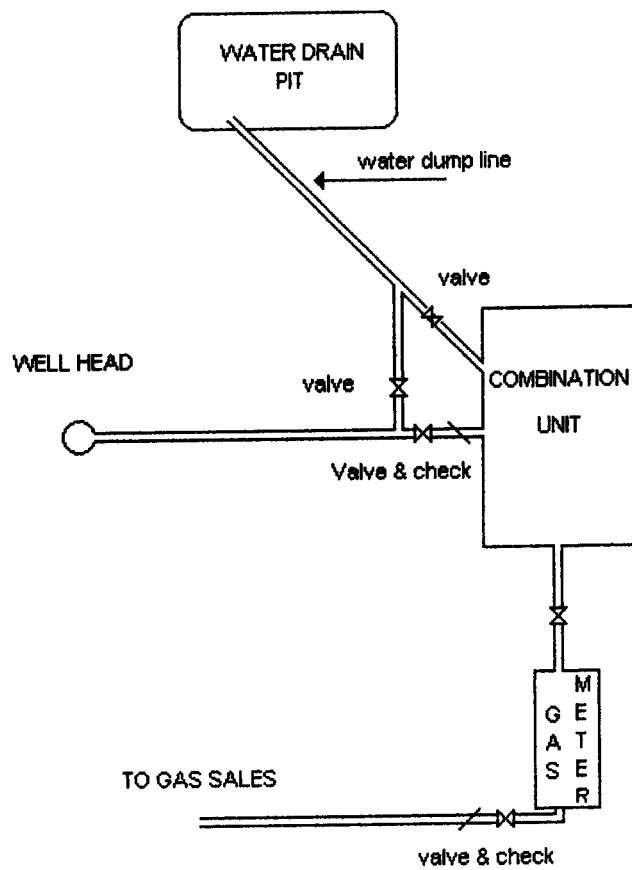
No chemical(s) from the EPA's Consolidated list of Chemicals subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986. will be used, produced, transported, stored, disposed, or associated with the proposed action, No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for Freedom Energy
Rocky Mountain Consulting
350 S. 800 E.
Vernal Utah, 84078

Telephone
(801) 789-0968 office
(801) 823-6152 cellular
(801) 789-0970 fax

FREEDOM ENERGY INC.
TYPICAL
GAS WELL

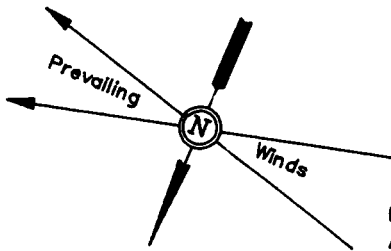


FREEDOM ENERGY, INC.

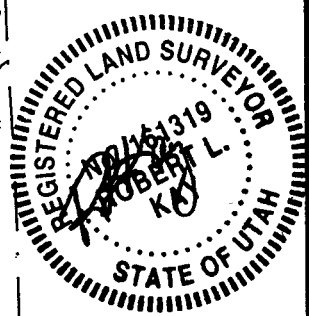
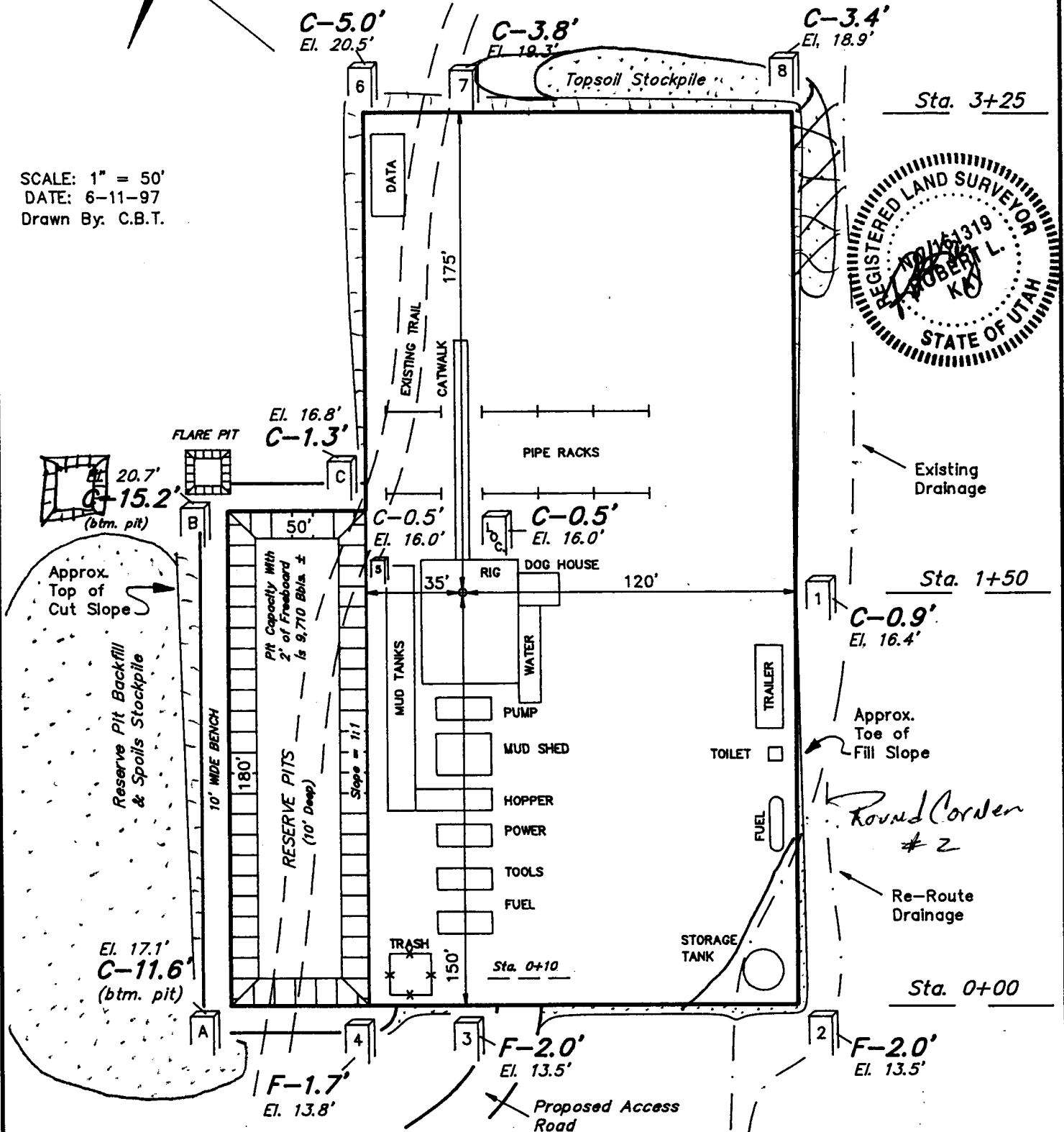
LOCATION LAYOUT FOR

HANGING ROCK FEDERAL #12-2
SECTION 12, T12S, R23E, S.L.B.&M.

676' FNL 1902' FEL



SCALE: 1" = 50'
DATE: 6-11-97
Drawn By: C.B.T.

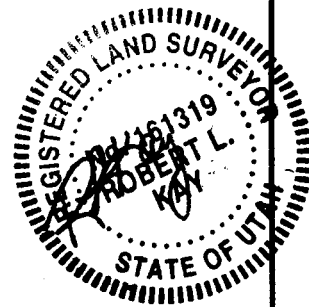


Elev. Ungraded Ground at Location Stake = 5916.0'
Elev. Graded Ground at Location Stake = 5915.5'

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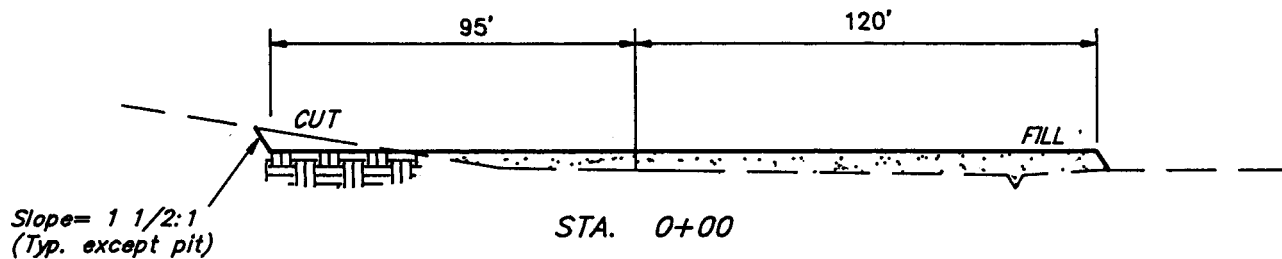
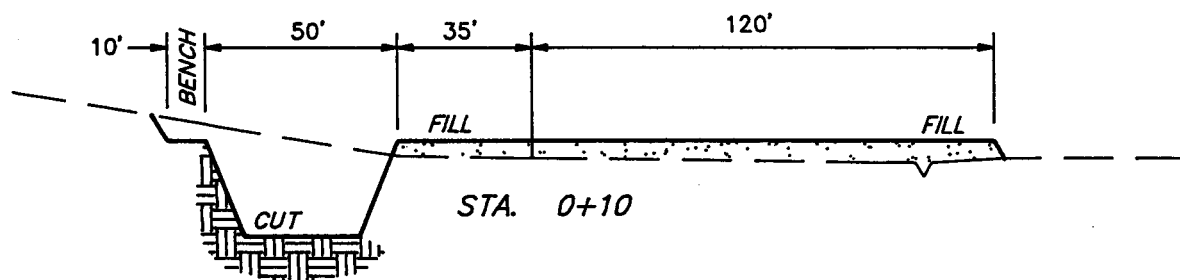
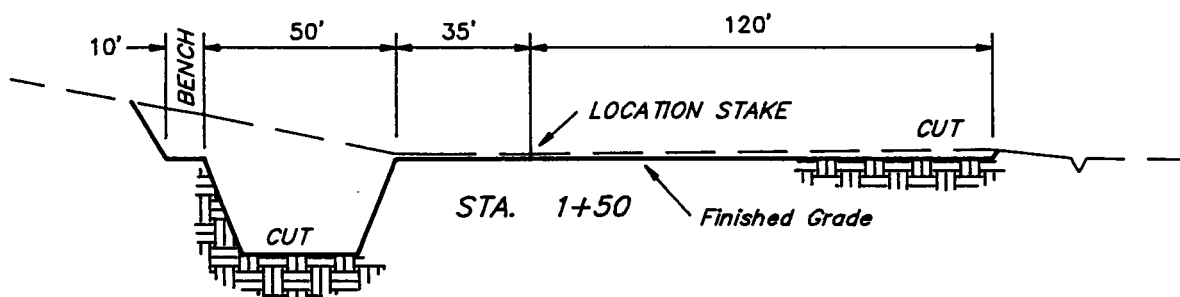
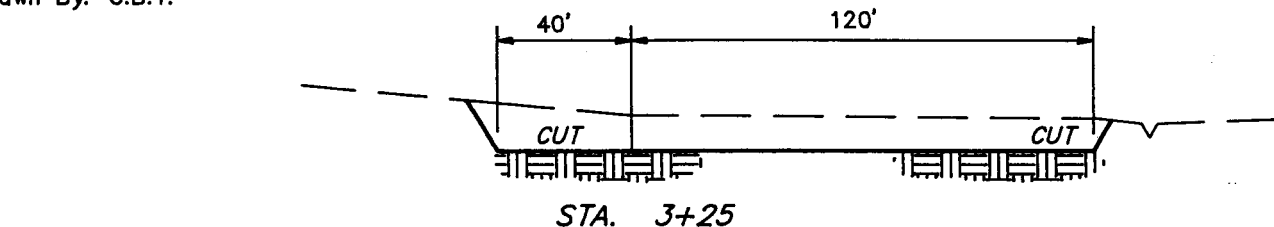
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 788-1017

FREEDOM ENERGY, INC.
TYPICAL CROSS SECTIONS FOR
HANGING ROCK FEDERAL #12-2
SECTION 12, T12S, R23E, S.L.B.&M.
676' FNL 1902' FEL



1" = 20'
X-Section
Scale
1" = 50'

DATE: 6-11-97
Drawn By: C.B.T.



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APPROXIMATE YARDAGES

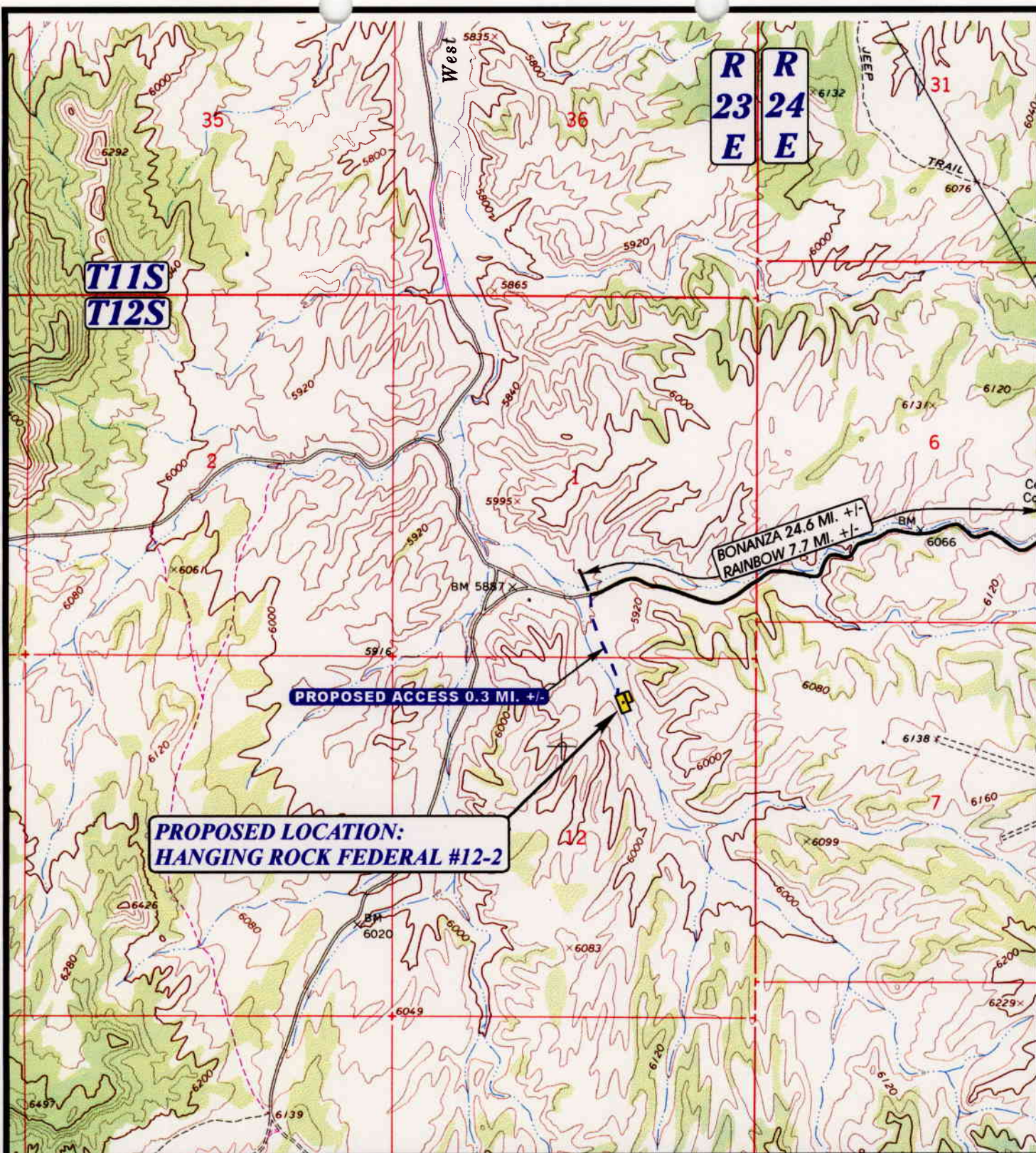
(6") Topsoil Stripping = 1,100 Cu. Yds.
Remaining Location = 5,010 Cu. Yds.

TOTAL CUT = 6,110 CU.YDS.

FILL = 1,220 CU.YDS.

EXCESS MATERIAL AFTER
5% COMPACTION = 4,830 Cu. Yds.
Topsoil & Pit Backfill = 2,360 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 2,470 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
86 So. 200 East • Vernal, Utah 84078 • (801) 788-1017



LEGEND:

--- PROPOSED ACCESS ROAD
 — EXISTING ROAD



FREEDOM ENERGY, INC.

HANGING ROCK FEDERAL #12-2
SECTION 12, T12S, R23E, S.L.B.&M.
676' FNL 1902' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1018
 Email: uels@easilink.com

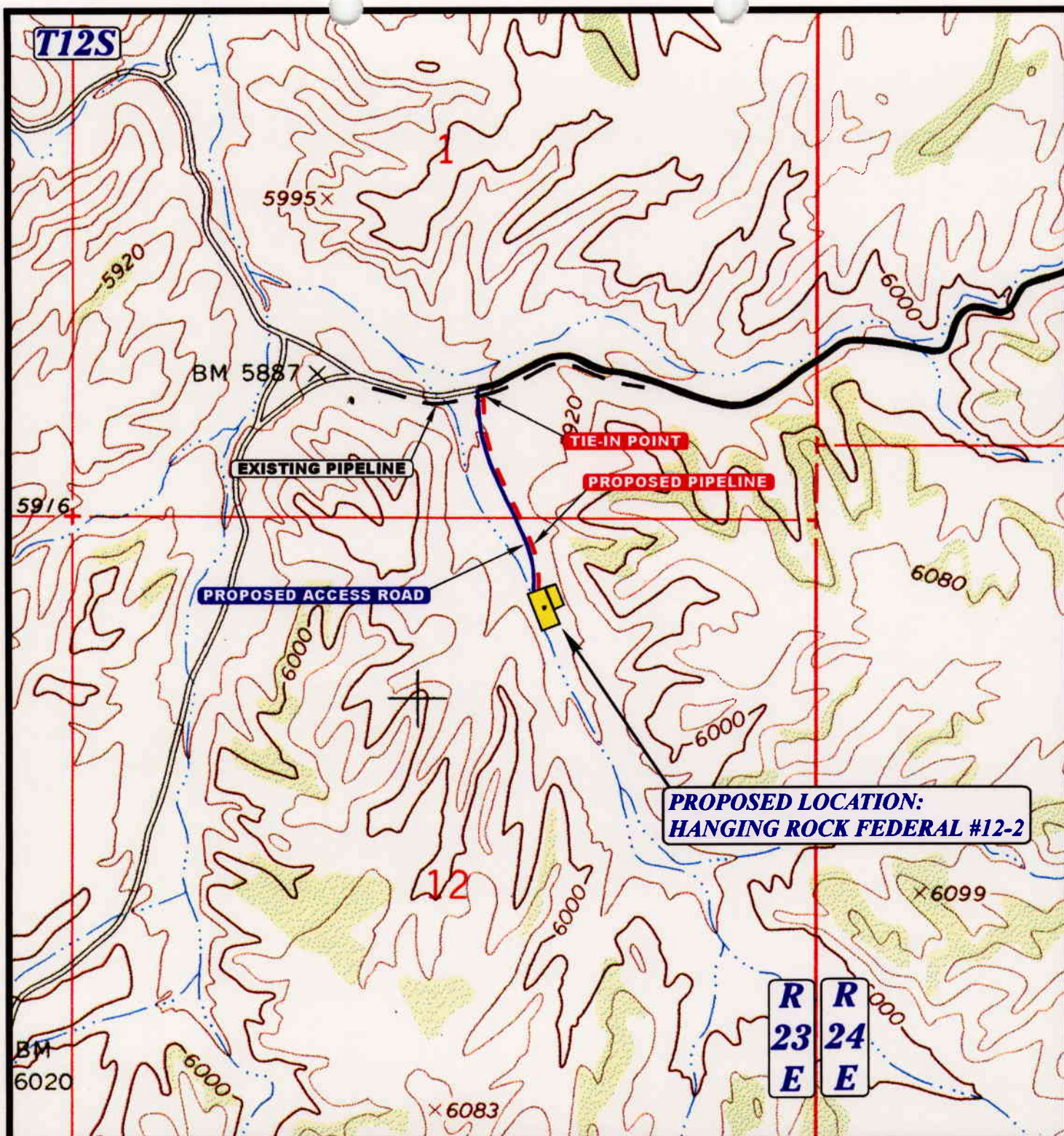
TOPOGRAPHIC
MAP

6 9 97
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00



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APPROXIMATE TOTAL PIPELINE DISTANCE = 1400' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS



FREEDOM ENERGY, INC.

HANGING ROCK FEDERAL #12-2
SECTION 12, T12S, R23E, S.L.B.&M.
676' FNL 1902' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
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 Email: uels@easilink.com

TOPOGRAPHIC
MAP

6 9 97
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: D.COX REVISED: 00-00-00



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WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/03/97

API NO. ASSIGNED: 43-047-32936

WELL NAME: HANGING ROCK FED I 12-2
OPERATOR: FREEDON ENERGY (N3285)

PROPOSED LOCATION:

NWNE 12 - T12S - R23E
SURFACE: 0676-FNL-1902-FEL
BOTTOM: 0676-FNL-1902-FEL
UINTAH COUNTY
UNDESIGNATED FIELD (002)

LEASE TYPE: FED
LEASE NUMBER: UTU - 47455

PROPOSED PRODUCING FORMATION: WSTC

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☒ State ☐ Fee ☐
(Number _____)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number 49-1595)
☒ RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

☒ R649-2-3. Unit: HANGING ROCK
☐ R649-3-2. General.
☐ R649-3-3. Exception.
☐ Drilling Unit.
Board Cause no: _____
Date: _____

COMMENTS:

Conf. status req.

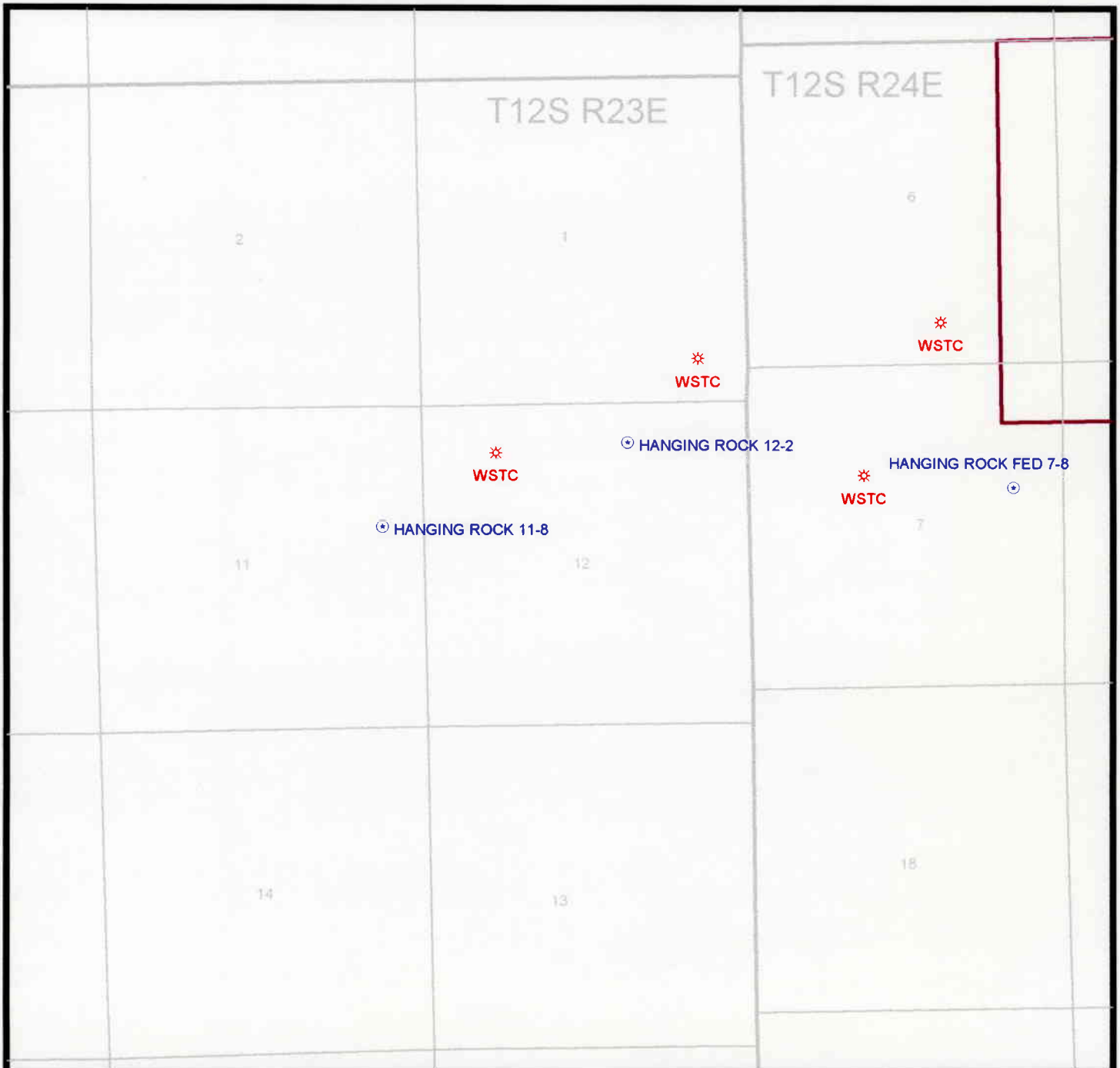
STIPULATIONS:

OPERATOR: FREEDOM ENERGY (N3285)

FIELD: UNDESIGNATED (002)

SEC, TWP, RNG: SEC. 11,12, T12S, R23E, & 7, T12S, R24E

COUNTY: UINTAH UAC: R649-2-3 HANGING ROCK



PREPARED:
DATE: 8-JULY-97



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

July 16, 1997

Freedom Energy, Inc.
1050 17th Street, Suite 710
Denver, Colorado 80265


Re: Hanging Rock I 12-2 Well, 676' FNL, 1902' FEL, NW NE,
Sec. 12, T. 12 S., R. 23 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32936.

Sincerely,


Lowell P. Braxton
Deputy Director

lwp

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator: Freedom Energy, Inc.
Well Name & Number: Hanging Rock I 12-2
API Number: 43-047-32936
Lease: UTU-47455
Location: NW NE Sec. 12 T. 12 S. R. 23 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334 or Mike Hebertson at (801) 538-5333.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

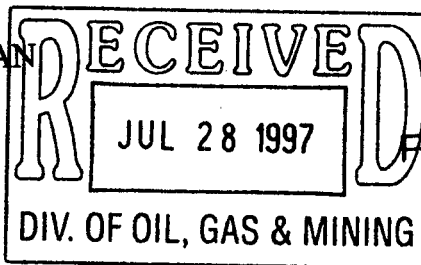
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU 47455	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Freedom Energy, Inc.		7. UNIT AGREEMENT NAME Hanging Rock	
3. ADDRESS OF OPERATOR 1050 - 17th St., Suite #710, Denver, Co 80265 303-592-3022		8. FARM OR LEASE NAME Hanging Rock I	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 676' FNL, 1902' FEL, NW1/4, NE1/4, Sec. 12, T12S, R23E At proposed prod. zone		9. WELL NO. 12-2	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 24.6 MILES SOUTH OF BONANZA, UT		10. FIELD AND POOL, OR WILDCAT	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 676'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 12, T 12 S, R 23 E.	
16. NO. OF ACRES IN LEASE 10,092.71		12. COUNTY OR PARISH UINTAH	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE UT	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1600'		20. ROTARY OR CABLE TOOL ROTARY	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5916' GR.		22. APPROX. DATE WORK WILL START* Aug. 1, 1997	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	TO SURFACE
7 7/8	4 1/2	17	T.D.	CMT TOP TO COVER THE OIL SHALE

OPERATOR REQUESTS PERMISSION TO DRILL THE SUBJECT WELL
PLEASE SEE THE ATTACHED 10 POINT AND THE 13 POINT SURFACE
USE PLAN.

IF YOU REQUIRE ADDITIONAL INFORMATION PLEASE CONTACT:

WILLIAM A. RYAN
350 S., 800 E.
VERNAL, UTAH
801-789-0968
801-823-6152



RECEIVED
JUN 25 1997

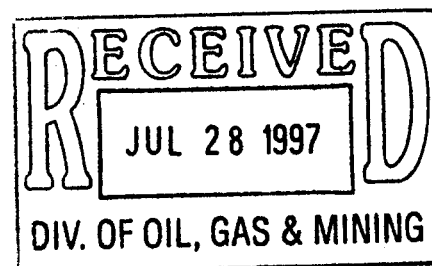
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED William A. Ryan TITLE Agent DATE June 16, 1997
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
 Assistant Field Manager
APPROVED BY TITLE Mineral Resources DATE JUL 16 1997
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL



Company/Operator: Freedom Energy, Inc.

Well Name & Number: Hanging Rock Federal I 12-2

API Number: 43-047-32936

Lease Number: U - 57455

Location: NWNE Sec. 12 T.12S R. 23E

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 621 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. .Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 781-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM

-Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turn outs should be kept clear so that when the snow melts the water will be channeled away from the road.

-A sign should be installed at the junction of the well access road stating that the road is a well service road and ends in 0.3 mile. The sign can be a simple carsonite post type sign.

-The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

-Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.).



December 17, 1997

Bureau of Land Management
324 South State Street
Salt Lake City, Utah 84111

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Release and Waiver of Confidentiality

Gentlemen:

Please be advised that Brent A. Bohman and other members of the law firm of Pruitt, Gushce & Bachtell are hereby authorized to review and copy any records in your possession pertaining to Freedom Energy, Inc.'s interests within Township 11 South, Ranges 22, 23, and 24 East, and Township 12 South, Ranges 23 and 24 East, in Uintah County. For purposes of this release and waiver of confidentiality, an executed facsimile copy of this letter should be treated in all respects as an original.

Should you have any questions or concerns, please do not hesitate to contact me at (303)592-3022, ext. 303.

Very truly yours,

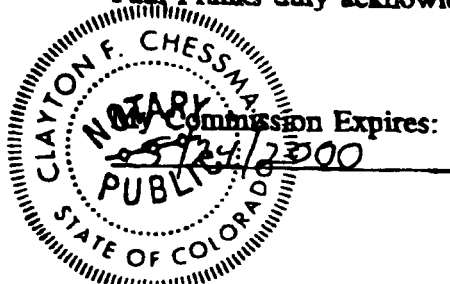
FREEDOM ENERGY, INC.

Paul Franks

Paul Franks
Vice President

STATE OF COLORADO)
COUNTY OF Denver) ss.

On the 17th day of December, 1997, personally appeared before me, Paul Franks, and after being by me duly sworn did say that he is the Vice President of Freedom Energy, Inc. and that said instrument was signed on behalf of said corporation by authority of its by-laws and said Paul Franks duly acknowledged to me that said corporation executed the same.



Clayton F. Chessman
Notary Public
Residing at: Denver, CO

TRANSACTION REPORT

P. 01

DEC-18-97 THU 03:30 PM

SEND(M)

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
DEC-18	03:29 PM	5318468	45"	1	SEND	(M) OK	037	
TOTAL			45S		PAGES:		1	

Dec-17-97 01:06P Freedom Energy, Inc. 303-592-2988

P. 02



43-047-32936

December 17, 1997

Bureau of Land Management
324 South State Street
Salt Lake City, Utah 84111

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

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**ROSEWOOD
RESOURCES**

February 5, 1998

Lisha Cordova
Utah Dept. of Natural Resources
Division of Oil, Gas, and Mining
P. O. Box 145801
Salt Lake City, UT 84114-5801

Re: Transfer of Operations from Freedom Energy, Inc. to Rosewood
 Uintah County, Utah

Dear Ms. Cordova:

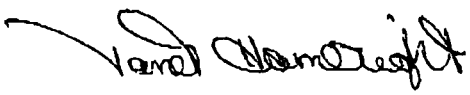
This letter will confirm that Rosewood Resources, Inc. has taken over operations from Freedom Energy, Inc. of the following undrilled wells with existing drilling permits.

<u>Well Name</u>	<u>Property Location</u> <u>All In Uintah Co. Utah</u>
1. Hanging Rock "H" #25-13	SW SW Sec. 25-11S-23E
2. Hanging Rock "H" #35-15	SW SE Sec. 35-11S-23E
3. Hanging Rock "I" #1-4	NW NW Sec. 01-12S-23E
4. Cruiser Federal "F" #6-6	SE NW Sec. 06-12S-24E
5. Hanging Rock "I" #11-8	SE NE Sec. 11-12S-23E
6. Hanging Rock "I" #12-2	NW NE Sec. 12-12S-23E
7. Hanging Rock "F" #7-8	SE NE Sec. 07-12S-24E
8. Hanging Rock "I" 11-6	SE NW Sec. 11-12S-23E

Thank you for updating your records accordingly. Please let me know if you need any further information. If you need to send any requests to me by fax, my fax number is (214) 999-5757.

Sincerely,

ROSEWOOD RESOURCES, INC.



Janet Hambright
Paralegal (214) 871-5718

Rosewood Resources, Inc.
Suite 500
100 Crescent Court
Dallas, Texas 75201
214 871 5700
214 871 5110 (Fax)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation

UTU-73518X

8. Well Name and No.

HANGING ROCK I 12-2

9. API Well No.

43-047-32936

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

FREEDOM ENERGY, INC.

3. Address and Telephone No.

1050 17TH. ST. STE. 710 DENVER, CO. 80265 (303) 592-3022

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

676' FNL, 1902' FEL NW/NE SEC.12-T12S-R23E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

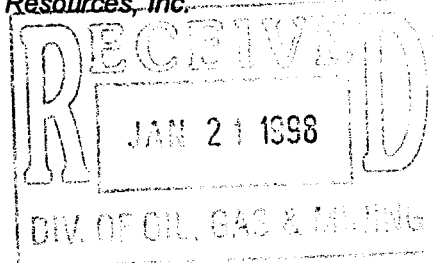
- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other **CHANGE OF OPERATOR**
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*
Please be advised that Rosewood Resources, Inc., Ste. 500, 100 Crescent Court, Dallas, Texas, 75201, is considered to be the operator of the Hanging Rock I 12-2, NW/NE Sec. 12-T12S-R23E; Lease # UTU-57455 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Rosewood Resources, Inc. Bond # UT-0627



14. I hereby certify that the foregoing is true and correct

Signed

Paul Franks

Title **Vice-President**

Date **01/01/98**

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

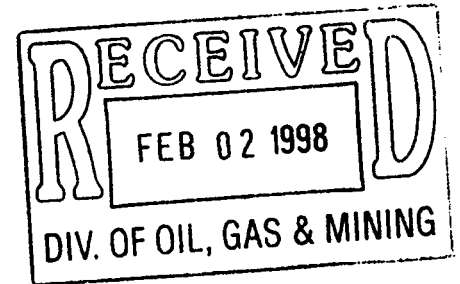
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions on Reverse Side



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
UT-931

January 30, 1998

Rosewood Resources, Inc.
Suite 500
100 Crescent Court
Dallas, Texas 75201

Re: Hanging Rock Unit
Uintah County, Utah

Gentlemen:

On January 28, 1998, we received an indenture dated January 21, 1998, whereby Freedom Energy, Inc. resigned as Unit Operator and Rosewood Resources, Inc. was designated as Successor Unit Operator for the Hanging Rock Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective January 30, 1998. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under Hanging Rock Unit Agreement.

Your nationwide (Montana) oil and gas bond No. 0627 will be used to cover all operations within the Hanging Rock Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Vernal (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-932
File - Hanging Rock Unit (w/enclosure)
MMS - Data Management Division
Agr. Sec. Chron
Fluid Chron

U-931:TAThompson:tt:1/30/98

Well Status Report
Utah State Office
Bureau of Land Management

Lease	Api Number	Well Name	QTR	Section	Township	Range	Well Status	Operator
** Inspection Item: UTU73518A								
UTU66408	4304732603	HANGING ROCK 24-13	SWSW	24	T11S	R23E	PGW	FREEDOM ENERGY INCORPORATED
** Inspection Item: UTU73518B								
UTU57455	4304732748	HANGING ROCK 12-4	NWNW	12	T12S	R23E	PGW	FREEDOM ENERGY INCORPORATED
UTU66426	4304732751	HANGING ROCK 7-6	SESW	7	T12S	R24E	PGW	FREEDOM ENERGY INCORPORATED
UTU57455	4304732679	HANGING ROCK 1 1-16	SESE	1	T12S	R23E	PGW	FREEDOM ENERGY INCORPORATED
UTU57455	4304732871	1 1-14	SESW	1	T12S	R23E	PGW	FREEDOM ENERGY INCORPORATED
** Inspection Item: UTU73518X								
UTU01252A	4304732854	HANGING ROCK 31-11	NESW	31	T11S	R24E	ABD	FREEDOM ENERGY INCORPORATED PA'd 5/97

*980204 Change includes wells in drilling status (see attached list). BLM does not list them on this form; however change applies to these wells also. (per Terese Thompson/BLM). J
Jec

HANGING ROCK UNIT

Uintah County, Utah

EFFECTIVE: NOVEMBER 22, 1994

- UNIT AGREEMENT (UTU73518X)
- ▨ INITIAL WASATCH-MESAVERDE PA "A"
- ▨ INITIAL WASATCH-MESAVERDE PA "B"

18,232.55 ACRES

23E

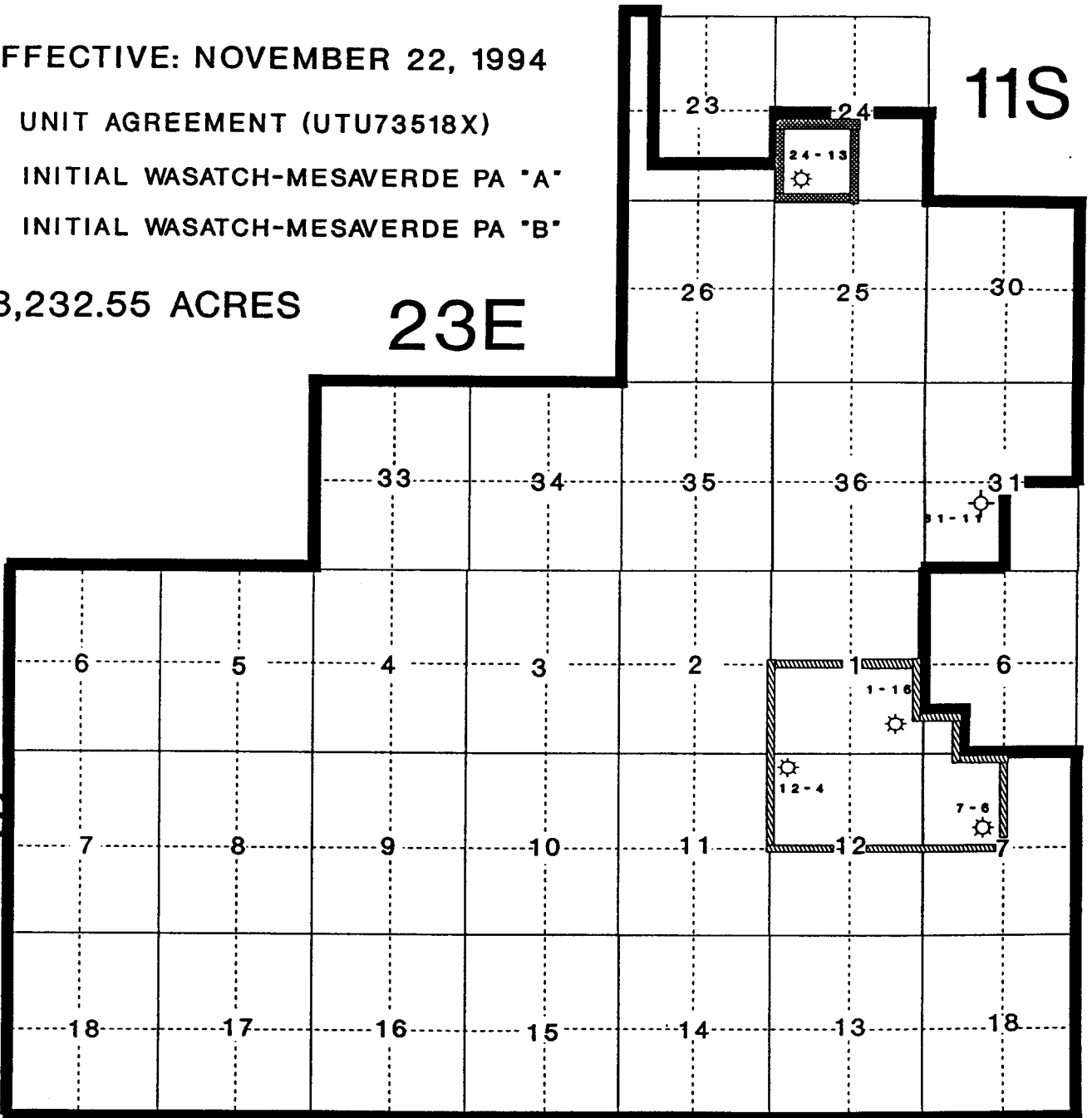
11S

12S

24E

WSTC-MSVD "A"
ALLOCATION
FEDERAL 100%
160.00 Acres

WSTC-MSVD "B"
ALLOCATION
FEDERAL 100%
826.76 Acres



OPERATOR CHANGE WORKSHEET

Attach all documentation received by the division regarding this change.

Initial each listed item when completed. Write N/A if item is not applicable.

1- JEC	6- JEC
2- GLH	7- KAS
3- DTS	8- SI
4- VLD	9- FILE
5- JRB	

☒ Change of Operator (well sold)☐ Designation of Agent☐ Designation of Operator☐ Operator Name Change OnlyThe operator of the well(s) listed below has changed, effective: 1-30-98

TO: (new operator) ROSEWOOD RESOURCES INC
 (address) 100 CRESCENT COURT #500
DALLAS TX 75201

FROM: (old operator)
 (address)

FREEDOM ENERGY INC
1050 17TH ST STE 710
DENVER CO 80265

Phone: (214)871-5718Account no. N7510Phone: (303)592-3022Account no. N3285

WELL(S) attach additional page if needed:

HANGING ROCK UNIT & THIMBLE ROCK UNIT

Name: **SEE ATTACHED**	API: <u>43-047-32936</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- JEC 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). (Rec'd 1-21-98)
- JEC 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). (Ref. 1-21-98) (Ref. 2-3-98) (Rec'd 2-5-98)
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) ____ If yes, show company file number: _____
- JEC 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- JEC 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. (2-3-98)
- JEC 6. **Cardex** file has been updated for each well listed above. (2-4-98)
- JEC 7. **Well file labels** have been updated for each well listed above. (2-4-98)
- JEC 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. (2-3-98)
- JEC 9. A folder has been set up for the **Operator Change** file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (r649-8-7) **Entity assignments have been reviewed** for all wells listed above. Were entity changes made? (yes/no) ____ If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been **notified** through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- N/A 1. (r649-3-1) The **NEW** operator of any fee lease well listed above has furnished a proper bond.
- Yes 2. A **copy of this form** has been placed in the new and former operator's bond files.
- ____ 3. The **FORMER** operator has requested a release of liability from their bond (yes/no) ____, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 ____, of their responsibility to notify all interest owners of this change.

FILMING

- Yes 1. All attachments to this form have been **microfilmed**. Today's date: 8.5.99.

FILING

- ____ 1. **Copies** of all attachments to this form have been filed in each **well file**.
- ____ 2. The **original of this form**, and the **original attachments** are now being filed in the Operator Change file.

COMMENTS

980202 Bm/SL Aprv. eff. 1-30-98; includes wells in "Drilling Status" on separate list.

(DRILLING STATUS;APPROVED BUT HAVE NOT COMPLETED)

2-3-98

Record#	OPERATOR	API NUMBER	WELL NAME	SECTION	TOWNSHIP	RANGE	DATEAPPRVD	SPUD_DATE
3206	FREEDOM ENERGY INC	43-047-32852	HANGING ROCK FEDERAL H 25-13	25	11S	23E	04/03/97	/ /
3205	FREEDOM ENERGY INC	43-047-32853	HANGING ROCK FEDERAL H 35-15	35	11S	23E	04/25/97	/ /
3203	FREEDOM ENERGY INC	43-047-32855	HANGING ROCK FEDERAL I 1-4	01	12S	23E	05/06/97	/ /
3202	FREEDOM ENERGY INC	43-047-32856	CRUISER FEDERAL F 6-6	06	12S	24E	05/27/97	/ /
3210	FREEDOM ENERGY INC	43-047-32870	HANGING ROCK STATE H 36-9	36	11S	23E	/ /	/ /
3402	FREEDOM ENERGY INC	43-047-32935	HANGING ROCK I 11-8	11	12S	23E	07/16/97	/ /
3401	FREEDOM ENERGY INC	43-047-32936	HANGING ROCK I 12-2	12	12S	23E	07/16/97	/ /
3400	FREEDOM ENERGY INC	43-047-32937	HANGING ROCK FEDERAL F 7-8	07	12S	24E	07/16/97	/ /
3504	FREEDOM ENERGY INC	43-047-32992	HANGING ROCK I 11-6	11	12S	23E	10/02/97	/ /
3503	FREEDOM ENERGY INC	43-047-32993	TUCKER FEDERAL F 8-2	08	12S	24E	/ /	/ /

99999



DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SPUDDING INFORMATION

Name of Company: ROSEWOOD RESOURCES INC

Well Name: HANGING ROCK I 12-2

Api No. 43-047-32936

Section 12 Township 12S Range 23E County UINTAH

Drilling Contractor

Rig #

SPUDDED:

Date 3/11/98

Time 12:00 NOON

How DRY HOLE

Drilling will commence

Reported by LUCI

Telephone # 1-435-789-0414

Date: 3/12/98 Signed: JLT

✓

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
Hanging Rock

8. Well Name and No.
Hanging Rock I #12-2

9. API Well No.
43047 32936

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

CONFIDENTIAL

2. Name of Operator
ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.
P.O. Box 1668, Vernal, UT 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
676' FNL 1902' FEL, NWNE Section 12, T12S, R23E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other SPUD

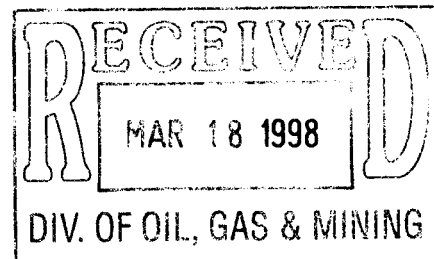
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Operator reports the above referenced well was spud on 3/11/98 @ 12:00 p.m. by Bill Jr's Rathole Service.
(See attached report for setting of surface casing.)

CONFIDENTIAL



COPIES: ORIG. & 2-BLM; DIV. OG&M; J MCQUILLEN

14. I hereby certify that the foregoing is true and correct

Signed

Lucy Vess

Title Administrative Assistant

Date 03/12/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Daily Drilling Report

DEPTH 340'

PROPOSED TD 4500'

FOOTAGE PAST 24 HRS 340'

ENGINEER D.WIDNER

CONSULTANT SALTY MILLER

Present Operation:

FROM TO ACTIVITY PAST 24 HRS:

[illegible]

DAILY COSTS:

			MUD PROPERTIES	
WT		% OIL		Ca+
VIS		%SAND		cake
WL		%SOLID		pH
HTHP		ALK		Daily Mud Cost
PV		Cl-		Cum Mud cost
YP				

PUMP DATA;

Hydraulics:

	1	2
MAKE		
MODEL		
LINER		
SPM		
PSI		

WOB _____
RPM _____
GPM _____

.BIT RECORD:

SURVEY DATA:

Bit #
Ser#
Size
Make
Type
Jets
In @
Out @
Feet
Hrs
Ft/Hr
CUM
Grade

DEPTH DEGREES

[illegible]

DAYWORK	10588
LOCATION	
MUD	
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	5687
FISHING	
WATER	500
FUEL	
BITS	
RENTALS	
CASING	
SUPERVISION	500
CASING HEAD	
TOTAL DAILY	17275
COST FORWARD	500
CUM. TO DATE	17775

ADDITIONAL COMMENTS:

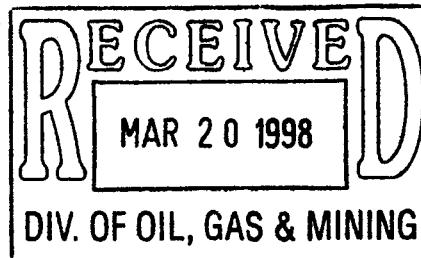
OPERATOR ROSEWOOD RESOURCES, INC.
 ADDRESS P.O. Box 1668
Vernal, UT 84078

OPERATOR ACCT. NO. N 7510

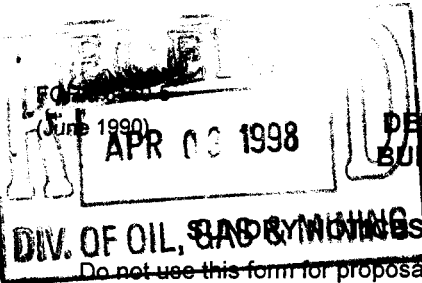
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	11889	4304732936	HANGING ROCK I #12-2	NWNE	12	12S	23E	Uintah	3/12/98	3/12/98
WELL 1 COMMENTS: Add to HANGING ROCK UNIT <div style="float: right; text-align: right;"> <i>Entity added 3-20-98. (Hanging Rock Unit - wslc/mvrd B P.A.)</i> </div>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)
 A - Establish new entity for new well (single well only)
 B - Add new well to existing entity (group or unit well)
 C - Re-assign well from one existing entity to another existing entity
 D - Re-assign well from one existing entity to a new entity
 E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.
 (3/89)



Lucy Neme
 Signature
 Admin. Assistant 3/18/98
 Title Date
 Phone No. (435) 789-0414



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
Hanging Rock

8. Well Name and No.
Hanging Rock I #12-2

9. API Well No.
4304732936

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

CONFIDENTIAL

2. Name of Operator
ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.
P.O. Box 1668, Vernal, UT 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
676' FNL 1902' FEL, NWNE Section 12, T12S, R23E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

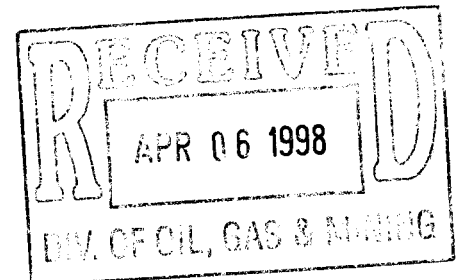
☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other Weekly Status
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

See attached rig reports.
Current status - Waiting on completion

CONFIDENTIAL



COPIES: ORIG. & 2-BLM; DIV. OG&M; J MCQUILLEN

14. I hereby certify that the foregoing is true and correct

Signed Lug Nemer

Title Administrative Assistant

Date 03/30/98

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instructions on Reverse Side**

Daily Drilling Report

D. WIDNER
DARWIN KULLAND

[illegible]

			MUD PROPERTIES		
WT	Fresh	% OIL		Ca+	
VIS		%SAND		cake	
WL		%SOLID		pH	
HTHP		ALK		Daily Mud Cost	
PV		CI-		Cum Mud cost	
YP					

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM		
PSI		

WOB	
RPM	
GPM	

Bit #
Ser#
Size
Make
Type
Jets
In @
Out @
Feet
Hrs
Ft/Hr
CUM
Grade

DEPTH DEGREES

[illegible]

MUD LOG
CEMENTING
FISHING
WATER
WELLHEAD

RENTALS	435
CASING	
SUPERVISION	500
CASING HEAD	

TOTAL DAILY	935
COST FORWARD	21350
CUM.TO DATE	22285

ADDITIONAL COMMENTS:

Daily Drilling Report

CONSULTANT DARWIN KULLAND

FROM TO

ACTIVITY PAST 24 HRS:

[illegible]

DAILY COSTS:

			MUD PROPERTIES		
WT	8.4	% OIL		Ca+	
VIS	27	%SAND	TR	cake	
WL		%SOLID	1/2	pH	10
HTHP		ALK		Daily Mud Cost	339
PV		Cl-		Cum Mud cost	339
YP					

FOOTAGE	34499
DAYWORK	
LOCATION	
MUD	339
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	
FISHING	
WATER	
WELLHEAD	
BITS	
RENTALS	435
CASING	
SUPERVISION	500
CASING HEAD	

PUMP DATA;

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	107	
PSI	800	

Hydraulics:

WOB	12K
RPM	160
GPM	358

BIT RECORD:

Bit #	1	2
Ser#	703179	5983599
Size		
Make	Security	Security
Type	ERA18C	FM2665
Jets	3/13	6/13
In @	288'	841'
Out @	841'	
Feet	553'	
Hrs	5.75	
Ft/Hr	96'	
CUM		
Grade		

SURVEY DATA:

DEPTH DEGREES

[illegible]

ADDITIONAL COMMENTS:
NO SHOWS

TOTAL DAILY	35773
COST FORWARD	22285
CUM. TO DATE	58058

Daily Drilling Report

LEASE: HANGING ROCK

DATE 3/24/98

CURRENT DEPTH 3670'

WELL: #12-2

PROPOSED TD 4500'

FOOTAGE PAST 24 HRS	1733'
---------------------	-------

Present Operation: DRILLING

ENGINEER D. WIDNER

CONSULTANT DARWIN KULLAND

FROM	TO	ACTIVITY PAST 24 HRS:
1	2	
3	4	
5	6	
7	8	
9	10	
11	12	
13	14	
15	16	
17	18	
19	20	
21	22	
23	24	
25	26	
27	28	
29	30	
31	32	
33	34	
35	36	
37	38	
39	40	
41	42	
43	44	
45	46	
47	48	
49	50	
51	52	
53	54	
55	56	
57	58	
59	60	
61	62	
63	64	
65	66	
67	68	
69	70	
71	72	
73	74	
75	76	
77	78	
79	80	
81	82	
83	84	
85	86	
87	88	
89	90	
91	92	
93	94	
95	96	
97	98	
99	100	

FROM	TO	ACTIVITY (LAST 24 HRS.)
700	1100	DRLG TO 2363'
1100	1115	SURVEY (MISRUN)
1115	1200	DRLG TO 2425'
1200	1215	SURVEY 3/4"
1215	445	DRLG TO 2922'
445	515	SURVEY 3/4"
515	130	DRLG TO 3449'
130	200	SURVEY 3/4"
200	700	DRLG TO 3670'

MUD PROPERTIES

WT	8.9	% OIL		Ca+	80
VIS	34	%SAND	1/4	cake	2
WL	11.2	%SOLID	4.2	pH	9.9
HTHP		ALK	.2/2	Daily Mud Cost	2046
PV	9	Cl-	700	Cum Mud cost	2385
YP	6				

DAILY COSTS:

FOOTAGE	36566
DAYWORK	
LOCATION	
MUD	2046
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	
FISHING	
WATER	1072
WELLHEAD	
BITS	
RENTALS	435
CASING	
SUPERVISION	500
CASING HEAD	

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	107	
PSI	1125	

Hydraulics:

WOB	14K
RPM	155
GPM	360

BIT RECORD:

Bit #	1	2
Ser#	703179	5983599
Size		
Make	Security	Security
Type	ERA18C	FM2665
Jets	3/13	6/13
In @	288'	841'
Out @	841'	
Feet	553'	
Hrs	5.75	
Ft/Hr	96'	
CUM		36
Grade		

SURVEY DATA:

DEPTH DEGREES	
800'	1/2
1337'	1
1834'	1/2
2363'	MR
2425'	3/4
2922'	3/4
3449'	3/4

ADDITIONAL COMMENTS:

	SHOWS	
#1	1986'-98'	70 UNITS
#2	2618'-36'	305 UNITS
#3	2722'-58'	680 UNITS
#4	2808'-27'	310 UNITS
#5	3606'-24'	830 UNITS

TOTAL DAILY	40619
COST FORWARD	58058
CUM.TO DATE	98677

Daily Drilling Report

LEASE: HANGING ROCK

DATE 3/25/98

CURRENT DEPTH 4023'

WELL: #12-2

PROPOSED TD 4500'

FOOTAGE PAST 24 HRS 353'

353'

Present Operation: C & C MUD

ENGINEER D. WIDNER

CONSULTANT DARWIN KULLAND

[illegible]

			MUD PROPERTIES		
WT	9.8	% OIL		Ca+	80
VIS	42	%SAND	1/2	cake	2
WL	8.4	%SOLID	10.9	pH	9.9
HTHP		ALK	.8/2.7	Daily Mud Cost	6078
PV	18	Cl-	1100	Cum Mud cost	8463
YP	13				

DAILY COSTS:

FOOTAGE	7095
DAYWORK	
LOCATION	
MUD	6078
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	
CEMENTING	
FISHING	
WATER	1072
WELLHEAD	
BITS	
RENTALS	1131
CASING	
SUPERVISION	500
CASING HEAD	

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	107	
PSI	1125	

Hydraulics:

WOB	14K
RPM	155
GPM	360

BIT RECORD:

Bit #	1	2
Ser#	703179	5983599
Size	7 7/8	7 7/8
Make	Security	Security
Type	ERA18C	FM2665
Jets	3/13	6/13
In @	288'	841'
Out @	841'	
Feet	553'	
Hrs	5 3/4	
Ft/Hr	96'	
CUM		43 1/4
Grade		

SURVEY DATA:

DEPTH DEGREES	
800'	1/2
1337'	1
1834'	1/2
2363'	MR
2425'	3/4
2922'	3/4
3449'	3/4
3947'	1 1/4

ADDITIONAL COMMENTS GAS

	SHOWS	D.RATE	B4	DUR	AFTER
#1	1986'-98'	.48-.35-.43	8	70	8
#2	2618'-36'	.32-.26-.31	14	305	25
#3	2722'-58'	.66-.27-.35	21	680	25
#4	2808'-27'	.34-.18-.5	24	310	24
#5	3606'-24'	1.5-.4-2.3	26	830	30
#6	3814'-26'	2.2-.37-1.5	33	840	600

ROSEWOOD RESOURCES,INC.

Daily Drilling Report

LEASE: HANGING ROCK
WELL: #12-2

DATE 3/26/98

CURRENT DEPTH 4100'

PROPOSED TD 4500'

FOOTAGE PAST 24 HRS 77'

Present Operation: DRILLING

ENGINEER D.WIDNER
CONSULTANT DARWIN KULLAND

FROM	TO	ACTIVITY PAST 24 HRS:
700	145	CIRC & COND MUD
145	245	DRLG 4023' TO 4029'
1115	400	CIRC & COND MUD
400	845	DRLG TO 4100'
845	1145	CIRC & COND MUD
1145	1215	SHUT DOWN & CHECK FOR FLOW
1215	1245	CIRC BOTTOMS UP
1245	200	10 STAND SHORT TRIP
200	545	CIRC & COND MUD
545	700	PUMP PILL & START TRIP FOR LOGS

MUD PROPERTIES					
WT	10.7+	% OIL		Ca+	60
VIS	46	%SAND	1 1/4	cake	2
WL	8	%SOLID	16	pH	10
HTHP		ALK	1.2/5	Daily Mud Cost	5590
PV	24	Cl-	1400	Cum Mud cost	14053
YP	11				

DAILY COSTS:

FOOTAGE	
DAYWORK	6830
LOCATION	
MUD	5590
RIG MOVE	
SURVEYOR	
LOGGING	
MUD LOG	2500
CEMENTING	
FISHING	
WATER	1072
WELLHEAD	
BITS	
RENTALS	500
CASING	
SUPERVISION	500
CASING HEAD	

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	107	
PSI	1125	

Hydraulics:

WOB	14K
RPM	155
GPM	360

BIT RECORD:

Bit #	1	2
Ser#	703179	5983599
Size		
Make	Security	Security
Type	ERA18C	FM2665
Jets	3/13	6/13
In @	288'	841'
Out @	841'	
Feet	553'	
Hrs	5.75	
Ft/Hr	96'	
CUM		
Grade		

SURVEY DATA:

DEPTH	DEGREES
800'	1/2
1337'	1
1834'	1/2
2363'	MR
2425'	3/4
2922'	3/4
3449'	3/4
3947'	1 1/4

ADDITIONAL COMMENTS:

TOTAL DAILY	16992
COST FORWARD	114553
CUM.TO DATE	131545

Daily Drilling Report

PROPOSED TD 4500'

ENGINEER D.WIDNER
CONSULTANT DARWIN KULLAND

FROM	TO	ACTIVITY PAST 24 HRS:
700	900	TOOH TO LOG
900	930	CHECK FOR FLOW, GAS BREAKING OUT @ SURFACE
930	1030	TIH W/30 STDS DP
1030	1200	CIRL BUILD PILL WT TO 12#/GAL
1200	200	TOOH TO 1000', SPOT 12# PILL FROM 1000' TO SURFACE, FINISH TOOH
200	530	SCHLUMBERGER RAN PLATFORM EXPRESS, LOGGER TD @ 4098'
530	900	TIH TO 2500' CIRL BOTTOMS UP, THEN CONT TRIP IN HOLE TO TD
900	1000	CIRL, RU TO LAY DOWN
1000	300	LAY DOWN DRILL PIPE
300	700	RU TO RUN CSG AND RUNNING CSG

MUD PROPERTIES

WT	10.7+	% OIL		Ca+	60
VIS	50	%SAND	1 1/4	cake	2
WL	8	%SOLID	16	pH	10
HTHP		ALK	1.2/5	Daily Mud Cost	991
PV	24	Cl-	1600	Cum Mud cost	15044
YP	12				

DAILY COSTS:

FOOTAGE	
DAYWORK	6830
LOCATION	
MUD	991
RIG MOVE	
SURVEYOR	
LOGGING	11874
MUD LOG	2500
CEMENTING	
FISHING	
WATER	1072
WELLHEAD	
BITS	
RENTALS	600
CASING	
SUPERVISION	500
CASING HEAD	

PUMP DATA:

	1	2
MAKE	Omega	Emsco
MODEL	750	500
LINER	8X6.5	7X6
SPM	107	
PSI	1125	

Hydraulics:

WOB	14K
RPM	155
GPM	360

BIT RECORD:

Bit #	1	2
Ser#	703179	5983599
Size		
Make	Security	Security
Type	ERA18C	FM2665
Jets	3/13	6/13
In @	288'	841'
Out @	841'	
Feet	553'	
Hrs	5.75	
Ft/Hr	96'	
CUM		
Grade		

SURVEY DATA:

DEPTH DEGREES	
800'	1/2
1337'	1
1834'	1/2
2363'	MR
2425'	3/4
2922'	3/4
3449'	3/4
3947'	1 1/4

ADDITIONAL COMMENTS:

TOTAL DAILY	24367
COST FORWARD	131545
CUM.TO DATE	155912

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
Hanging Rock

8. Well Name and No.
Hanging Rock I #12-2

9. API Well No. 43-047-32936

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

CONFIDENTIAL

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

P.O. Box 1668, Vernal, UT 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

676' FNL 1902' FEL, NWNE Section 12, T12S, R23E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Weekly Status
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Weekly Status - completion from 4/11 - 4/23/98

Current Status - Completing

CONFIDENTIAL

COPIES: ORIG. & 2-BLM; DIV. OG&M; J MCQUILLEN

14. I hereby certify that the foregoing is true and correct

Signed

Lucy Nemer

Title Administrative Assistant

Date 04/24/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ROSEWOOD RESOURCES, INC.**Daily Completion Report****WELL NAME:** HANGING ROCK I #12-2**DATE:** 4/1/98

DEPTH: 4100'
PBTD 4057'
PERFS: 3844' - 3854'

Lease #: U-57455
Location: NWNE SEC. 12, 12S, R23E
County: Uintah Co., Utah

PACKER:**RBP:****CIBP:****EOT:**

Engineer
Consultant

D. Widner
S. Miller

4/11/98

MIRU KS WELL SERVICE RIG #1. N/D WELLHEAD & N/U BOP'S. R/U PUMP & LINES. PRESSURE TEST CSG & BOP'S TO 2500#. HELD OK! P/U 3 3/4" DRAG BIT, 4 1/2" CSG SCRAPER, 4- 3 1/8" DC'S & RIH W/ 2 3/8" TBG TO STAGE COLLAR @ 2318'. DRILL OUT COLLAR. RIH W/ 2 3/8" TBG TO PBTD @ 4057'. DISPLACE HOLE W/ 3% KCL WTR. PRESSURE TEST CSG AGAIN TO 2500#. HELD OK! POOH W/ TBG & TOOLS. SHUT DOWN FOR EASTER WEEKEND.

DAILY COST \$16,015 CUM COST \$16,015

4/14/98

R/U SCHLUMBERGER & RUN CEMENT BOND LOG FROM 4054'- 300' W/ 1000# SURFACE PRESSURE. EST CMT TOP FOR 1st STAGE @ 2730'. EST CMT TOP FOR 2nd STAGE @ SURFACE. R/D WIRELINE. P/U SEAT NIPPLE & RIH W/ 110 JTS 2 3/8" TBG TO 3430'. R/U & SWAB WELL DOWN TO 2500'. POOH W/ TBG & SEAT NIPPLE. R/U WIRELINE & RIH W/ 3 1/2" CSG GUNS. PERFORATE INTVL @ 3930'- 40' 4 SPF 40 HOLES TOTAL. CHECK FOR FLOW & R/D WIRELINE. NO GAS TO SURFACE. P/U XN- NIPPLE, 6' X 2 3/8" PUP JT, 4 1/2" ARROWSET 1 PKR, 6' X 2 3/8" PUP JT, X- NIPPLE & RIH W/ 125 JTS 2 3/8" TBG. SET PKR @ 3915' W/ 10 K COMPRESSION. XN- NIPPLE & EOT @ 3925'. R/U & SWAB WELL DRY IN TWO RUNS W/ NO GAS SHOW. FILL TBG W/ 3% KCL WATER. BROKE DOWN PERFS W/ RIG PUMP. ZONE BROKE @ 3000#. PUMP 1 BPM @ 1200#. ISIP 800# PUMPED 2 BBLS TOTAL INTO PERFS. R/U & SWAB WELL. FLUID LEVEL @ SURFACE. SWABBED WELL DRY IN 6 RUNS. MADE 3 - 1/2 HR RUNS W/ NO FLUID ENTRY & NO GAS SHOW. SION

DAILY COST \$11,320 CUM COST \$27,335

4/15/98

CHECK PRESSURES 50# SITP & 0# SICP. R/U & SWAB WELL. F.L @ 1400'. SWABBED WELL DRY IN 2 RUNS MADE 3 HOURLY RUNS W/ NO FLUID ENTRY. RECOVERED 11 BBLS TOTAL FLUID. R/U BJ SERVICES. PUMP 500 GAL 7 1/2% HCL ACID W/ ADDITIVES & DISPLACE W/ 20 BBLS 3% KCL WATER & CLAY- STA. AVG 2 BPM @ 1900#. MAX RATE 2 BPM MAX PSI 2290# ISIP 1280# 5 MIN 740# 10 MIN 520# 15 MIN 430# R/D BJ & BLEED OFF PRESSURE. R/U & SWAB WELL. F.L. @ SURFACE. MADE 10 CONSECUTIVE RUNS & RECOVERED 33 BBLS WATER & SPENT ACID. MADE 4- 30 MIN RUNS & RECOVERED 13 BBLS FLUID. FINAL F.L. @ 2400' RECOVERED 31 BBLS FROM TREATMENT PLUS 15 BBLS. SION

DAILY COST \$5,831 CUM COST \$33,166

4/16/98

CHECK PRESSURES 200# SITP & 0# SICP. R/U & SWAB WELL. F.L @ SURFACE. MADE 6 RUNS AND RECOVERED 22 BBLS WATER. FINAL F.L. @ 2000'. R/D SWAB EQUIP. RELEASE PKR & POOH W/ 2 3/8" TBG AND TOOLS. R/U SCHLUMBERGER & RIH W/ 4 1/2" CIBP. SET PLUG @ 3920'. PRESSURE TEST PLUG TO 2500#. HELD OK! RIH W/ SEAT NIPPLE & 110 JTS TBG TO 3435'. R/U & SWAB WELL DOWN TO 2500'. POOH W/ TBG & SN. R/U WIRELINE & RIH W/ 3 1/2" CSG GUNS. PERFORATE INTVL 3887'- 97' 4 SPF 40 HOLES TOTAL. R/D WIRELINE. P/U XN- NIPPLE, 6' PUP JT, 4 1/2" ARROWSET 1 PKR, ON/OFF TOOL, 6' PUP JT, X- NIPPLE & RIH W/ 123 JTS TBG. SET PKR @ 3870' W/ 10K COMPRESSION & LAND IN HANGER. TEST PKR & CSG TO 1000#. HELD OK! FLOW TO PIT ON 1" CHOKE 1 HOUR UNTIL DRY. R/U & FLOW WELL THRU 20/64 CHOKE FOR 30 MIN. FTP 80# SION

TUBING DETAIL

14.00'	K.B.	6.20'	6' PUP JT
.83'	TBG HANGER	1.08'	XN- NIPPLE @ 3881'
31.13'	1 JT 2 3/8" TBG		
18.18'	1- 10' & 1- 8' PUP JTS		
3794.78'	122 JTS 2 3/8" TBG		
.95'	X- NIPPLE @ 3857'		
6.25'	6' PUP JT		
1.50'	ON/ OFF TOOL		
6.18'	ARROWSET 1 PKR @ 3870'		

DAILY COST \$7,935 CUM COST \$41,101

4/17/98

CHECK PRESSURES 12 HR SITP 1600# & SICP 0# (PKR). FLOW WELL TO PIT AS FOLLOWS:

TIME	CHOKE	FTP	EST RATE	REMARKS
7:00 AM	20/64	1600#		START FLOWING WELL TO PIT
7:30	"	100#	215	WELL FLOWING DRY GAS
8:00	"	"	"	"
8:30	18/64	170#	295	"
9:00	"	185#	321	"
9:30	"	"	"	"
10:00	16/64	260#	355	"
10:30	"	"	"	"
11:00	"	265#	362	"
11:30	"	"	"	"
NOON	"	"	"	"
1:00 PM	"	"	"	"
2:00	"	"	"	CHANGE TO 30/64 CHOKE
3:00	30/64	90	440	MISTING FLUID W/ TRACE AMT OF YELLOW CRUDE
4:00	"	85	415	"
5:00	"	85	415	"
SION				

DAILY COST \$2,690 CUM COST \$43,791

4/18/98

CHECK PRESSURES 14 HR SITP 1600# & SICP 0# (PKR). BLOW WELL DOWN TO PIT AS FOLLOWS. R/U BJ SERVICES. PUMP ACID TREATMENT INTO INTVL 3887'- 97'. TREATED W/ 500 GAL 7 1/2% HCL ACID W/ ADDITIVES. AVG 2 BPM @ 2200# MAX RATE 2 BPM MAX PSI 2900# HAVE 32 BBLS FLUID TO RECOVER. ISIP 1300# 5 MIN 560# 10 MIN 400# 15 MIN 310#. FLOW WELL TO PIT ON 1" CHOKE & RECOVERED 2 BBLS WATER. R/U & SWAB WELL. F.L @ SURFACE. SWABBED WELL DRY IN 3 RUNS & RECOVERED 15 BBLS MADE 13- 30 MIN RUNS & RECOVERED 6 MORE BBLS FLUID. HAVE 9 BLTR. SION

DAILY COST \$5,250 CUM COST \$49,041

4/19/98

CHECK PRESSURES 12 HR SITP 1300# & SICP 0# (PKR). WELL BLED DOWN IN 10 MIN. R/U & SWAB WELL. MADE 2 RUNS W/ NO FLUID RECOVERY. FLOW WELL THRU 8/64 CHOKE FOR 2 HRS. FTP 220#. HOOK UP RIG PUMP & PUMP 5 GAL FOAMER & FOLLOW W/ 30 BBLS 3% KCL WATER. AVG 1.2 BPM @ 1800#. ISIP 1400# FLOW WELL TO RIG TANK. RECOVERED 2 BBLS WATER. R/U & SWAB WELL. MADE 5 CONSECUTIVE RUNS & RECOVERED 15.5 BBLS WATER. MADE 4 MORE HOURLY RUNS & RECOVERED 2.5 BBLS WATER. HAVE 10 BLTR FROM THIS TREATMENT & 19 BLTR TOTAL FROM BOTH TREATMENTS. SION

4/20/98

CHECK PRESSURES 4/19/98 15 HR SITP 520#

DAILY COST \$0 CUM COST \$49,041

4/21/98

CHECK PRESSURES 33 HR SITP 600# & SICP 0# (PKR). WELL BLED DOWN IN 10 MIN. R/U & SWAB WELL. INITIAL FL @ 1200'. MADE 3 CONSECUTIVE RUNS AND RECOVERED 6 BBLs WATER. MADE 8 MORE HOURLY RUNS & RECOVERED 1 MORE BBL WATER. 7 BBLs WATER RECOVERED TODAY. HAVE 12 BLTR SION

DAILY COST \$2,685 CUM COST \$54,541

4/22/98

CHECK PRESSURES 14 HR SITP 1200# & SICP 0# (PKR). WELL BLED DOWN IN 10 MIN. R/U & SWAB WELL. INITIAL F.L. @ 2800'. MADE 2 CONSECUTIVE RUNS & RECOVERED 2 BBLs WATER. MADE 2 MORE HOURLY RUNS W/ NO FLUID ENTRY. FLOW TEST WELL THRU 14/64 CHOKE FOR 6 HOURS. STARTING FTP 10#. ENDING FTP 58#. HAVE 5 BLTR. SION

DAILY COST \$2,235 CUM COST \$56,776

4/23/98

CHECK PRESSURES 14 HR SITP 1200# & SICP 0# (PKR). WELL BLED DOWN IN 10 MIN. R/U SLICKLINE UNIT. RIH & SET PLUG IN XN- NIPPLE @ 3865'. POOH & R/D SLICKLINE. RELEASE FROM ON/OFF TOOL. PRESSURE TEST CSG & TOOLS TO 2500#. HELD OK! POOH W/ TBG TO 3200'. R/U & SWAB FLUID LEVEL TO 2500'. FINISH POOH W/ TBG & TOOLS. R/U SCHLUMBERGER. RIH W/ 3 1/2" CSG GUN. PERFORATE INTVL @ 3844'-3854' 4 SPF 40 HOLES TOTAL. P/U UPPER SECTION TO ON/OFF TOOL, 4'- 2 3/8" PUP JT, XN- NIPPLE, 1 JT TBG, X- NIPPLE & RIH W/ 121 JTS 2 3/8" TBG. LAND TBG W/ HANGER @ 3817'. XN- NIPPLE @ 3811'. X- NIPPLE @ 3779'. R/U & FLOW 5 BBLs WATER TO PIT. R/U & SWAB WELL. INITIAL F.L. @ 400'. MADE 9 PERIODIC RUNS & RECOVERED 14 MORE BBLs WATER. SICP 310#. SION

DAILY COST \$6,986 CUM COST \$63,762

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

CONFIDENTIAL

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

P.O. Box 1668, Vernal, UT 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

676' FNL 1902' FEL, NWNE Section 12, T12S, R23E

5. Lease Designation and Serial No.

UTU-57455

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

Hanging Rock

8. Well Name and No.

Hanging Rock I #12-2

9. API Well No.

43-047-32936

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Weekly Status
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

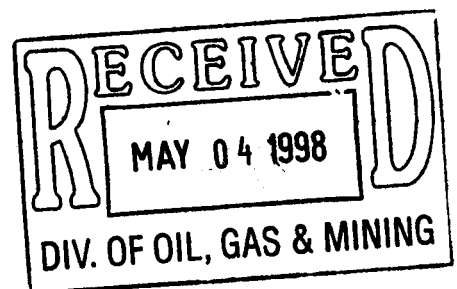
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Weekly Status - completion from 4/24 - 5/1/98

Current Status - Completing

CONFIDENTIAL



COPIES: ORIG. & 2-BLM; DIV. OG&M; J MCQUILLEN

14. I hereby certify that the foregoing is true and correct

Signed

Luz Nemes

Title Administrative Assistant

Date 05/01/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instructions on Reverse Side**

ROSEWOOD RESOURCES, INC.

Daily Completion Report

WELL NAME: HANGING ROCK I #12-2

DATE: 4/1/98

DEPTH: 4100'
 PBTD 4057'
 PERFS: 3844' - 3854'
 3887' - 3897'
 3606' - 3624'

Lease #: U-57455
 Location: NWNE SEC. 12, 12S, R23E
 County: Uintah Co., Utah

PACKER:

RBP:

CIBP:

EOT:

Engineer D. Widner
 Consultant S. Miller

4/24/98

CHECK PRESSURES 13 HR SITP 1500# & SICP 1200#. FLOW WELL TO PIT ON 30/64 CHOKE. WELL BLEW DOWN IN 30 MIN. R/U & RIH SWAB. MADE 2 RUNS W/ NO FLUID RECOVERY. INSTALL 14/64 CHOKE & FLOW FOR 2 HRS. FTP 30# & SICP 160#. CHECK FOR FLUID ENTRY. NO ENTRY. FLOW WELL FOR 3 1/2 HRS ON 14/64 CHOKE. FTP 30# & SICP 210#. CHECK FOR FLUID ENTRY AGAIN. NO ENTRY. SION

DAILY COST \$2,515 CUM COST \$66,277

4/25/98

CHECK PRESSURES 13 HR SITP 1500# & SICP 1200#. BLOW WELL DOWN TO PIT ON 30/64 CHOKE. WELL BLEW DOWN IN 30 MIN. RIH W/ TBG & LATCH ON TO ON/OFF TOOL & PKR. R/U SLICKLINE TRUCK & RIH TO PULL PLUG IN XN-NIPPLE @ 3882'. PLUG EQUALIZED BUT WOULD NOT RELEASE. RELEASE PKR & POOH W/ TBG & TOOLS. P/U XN- NIPPLE, 6'- 2 3/8" PUP JT, 4 1/2" ARROW PKR, 4'- 2 3/8" PUP JT, X- NIPPLE & RIH W/ 120 JTS TBG. SET PKR @ 3757' & TEST TO 2500#. R/U BJ SERVICES & TREAT INTVLS 3844'- 97' W/ 1000 GAL VERSOL II & NITROGEN FOAM. DROPPED 100 BALL SEALERS THRU TREATMENT. AVG 5 1/2 BPM @ 1900#. MAX RATE 6 BPM MAX PSI 2200#. ISIP 2200# 5 MIN 1990# 10 MIN 1870#. FLOW WELL TO PIT ON 3/4" CHOKE FOR 1 HOUR & RECOVERED 17 BBLS TREATMENT FLUID. R/U & SWAB WELL. F.L. @ 2800' MADE 6 RUNS & RECOVERED 6 BBLS TREATMENT FLUID. RECOVERED 23 BBLS TOTAL. HAVE 1 BLTR FROM TREATMENT. FINAL F.L. @ 3500'. SION

DAILY COST \$15,755 CUM COST \$82,032

4/26/98

CHECK PRESSURES 13 HR SITP 400# & SICP 0# (PKR). BLOW WELL DOWN TO PIT ON 30/64 CHOKE. WELL BLEW DOWN IMMED. R/U & SWAB WELL. F.L. @ 1400'. MADE 3 CONSECUTIVE RUNS & RECOVERED 8 BBLS WATER. MADE 9 MORE HOURLY RUNS & RECOVERED 5 BBLS WATER. FINAL F.L. @ 3600'. HAVE RECOVERED ALL TREATMENT FLUID PLUS 12 BBLS. SION

DAILY COST \$2,765 CUM COST \$84,797

4/27/98

CHECK PRESSURES 13 HR SITP 1120# & SICP 0# (PKR). BLOW WELL DOWN TO PIT ON 30/64 CHOKE. WELL BLEW DOWN IMMED. R/U & SWAB WELL. F.L. @ 600'. MADE 3 CONSECUTIVE RUNS & RECOVERED 6 BBLS WATER. MADE 2 MORE HOURLY RUNS & RECOVERED 1 BBLS WATER. FINAL F.L. @ 3600'. SION

DAILY COST \$1,475 CUM COST \$86,272

4/28/98

CHECK PRESSURES 21 HR SITP 1200#. BLOW DOWN WELL TO PIT ON 1" CHOKE. R/U & SWAB WELL. F.L. @ 1800'. SWABBED WELL DRY IN 2 RUNS & RECOVERED 4 BBLS WATER. FLOW WELL ON 8/64 CHOKE FOR 4 HRS. FTP STABILIZED AT 210#. RIH W/ SWAB. NO FLUID ENTRY. TEST WELL AGAIN ON 8/64 CHOKE FOR 2 HRS. FTP 210#. CHECK FOR FLUID ENTRY AGAIN. NO ENTRY. SION

DAILY COST \$2,515 CUM COST \$88,787

4/29/98

CHECK PRESSURES. 14 HR SITP 1400#. BLEED DOWN PRESSURE. R/U SLICKLINE TRUCK. RIH W/ BLANKING PLUG & SET IN XN- NIPPLE @ 3767'. R/D SLICKLINE TRUCK. RELEASE FROM ON/OFF TOOL @ 3750'. LAY DOWN 7 JTS 2 3/8" TBG. PRESSURE TEST PKR & PLUG TO 2500#. HELD OK! POOH W/ 2 3/8" TBG & TOOLS. R/U SCHLUMBERGER. RIH W/ 3 1/2" CSG GUNS & PERFORATE INTVL @ 3606'- 24' 4 SPF 72 HOLES TOTAL. PERFORATING GUN BECAME STUCK AFTER FIRING. WORKED TO FREE GUNS BUT PULLED OUT OF SAFETY JOINT. TOP OF FISH @ 3576'. BOTTOM @ 3600'. STARTED WELL FLOWING TO PIT ON 30/64 CHOKE WHILE WORKING TO FREE GUNS. FCP 1400#. POOH W/ WIRELINE. FLOWED WELL ON 24/64 CHOKE FOR 2 HRS. FCP STABILIZED @ 1450#. FLOWED WELL 2 HRS ON 16/64 CHOKE. FCP STABILIZED @ 1475#. SION

DAILY COST \$3,545 CUM COST \$92,332

4/30/98

CHECK PRESSURE. 12 HR SICP 1500#. N/U CUDD SNUBBING UNIT. P/U 3 1/8" OVERSHOT, JARS, BUMPER SUB, 4' PUP JT, XN- NIPPLE W/ PUMP THRU PLUG IN PLACE, 1 JT 2 3/8" TBG, X- NIPPLE & RIH W/ 115 JTS TBG TAG & LATCH ON TO FISH. POOH W/ 50 JTS TBG. FISH HAD HEAVY DRAG FIRST 300'. LAND TBG ON HANGER AND ADD ADDITIONAL SPOOLS TO SNUB FISH. SION

DAILY COST \$14,420 CUM COST \$106,752

5/1/98

SICP 1575#. FINISH SNUBBING OUT OF HOLE W/ 2 3/8" TBG, FISHING TOOL ASSY & PERFORATING GUNS. OVERSHOT WAS PACKED FULL OF SILT & SMALL PIECES OF METAL. (POSSIBLY PERF TRASH) R/D EXTRA SPOOLS. P/U ON/OFF TOOL TOP, 4' PUP JT, X- NIPPLE W/ PUMP THRU PLUG IN PLACE, 1 JT TBG, X- NIPPLE & SNUB IN HOLE W/ 59 JTS 2 3/8" TBG. LAND TBG ON HANGER. SION

DAILY COST \$10,750 CUM COST \$117,502

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

CONFIDENTIAL

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

P.O. Box 1668, Vernal, UT 435-789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

676' FNL 1902' FEL, NWNE Section 12, T12S, R23E

5. Lease Designation and Serial No.

UTU-57455

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

Hanging Rock

8. Well Name and No.

Hanging Rock I #12-2

9. API Well No.

4304732936

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH CO., UTAH

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Initial production
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

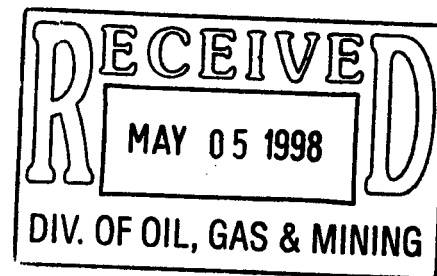
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Operator reports the above well was placed on production @ 2:00 p.m. on 5/1/98.

Initial 24 hr. production: 2073 MCF/D; 6.6 bbls. condensate; 0 bbls. water.
16/64" choke.

CONFIDENTIAL



COPIES: ORIG. & 2-BLM; DIV. OG&M; J MCQUILLEN

14. I hereby certify that the foregoing is true and correct

Signed

Ruby Nemes

Title Administrative Assistant

Date 05/04/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

(July 1992)*

 SUBMIT IN 1
 (Indicate*
 any other in-
 structions on
 reverse side)

 FORM APPROVED
 OMB NO. 1004-0137

Expires: February 28, 1995

 UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

UTU-47455

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL
WELL ☐GAS
WELL ☒DRY ☐

Other _____

1b. TYPE OF WELL

NEW
WELL ☒WORK
OVER ☐DEEP-
EN ☐FLUG
BACK ☐DIFF.
RESVR. ☐

Other _____

7. UNIT AGREEMENT NAME

HANGING ROCK

8. FARM OR LEASE NAME, WELL NO.

HANGING ROCK FED I 12-2

9. API WELL NO.

43-047-43936 32936

10. FIELD AND POOL OR WILDCAT

2. NAME OF OPERATOR

ROSEWOOD RESOURCES, INC.

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1668, VERNAL, UT 84078

435-789-0414 CONFIDENTIAL

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface

676' FNL 1902' FEL NW/NE

CONFIDENTIAL

PERIOD

EXPIRED

7-24-99

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

SEC. 12, T12S, R23E

Block & Survey: S.L.B. & M

At total depth

14. PERMIT NO.

UTU80-7M-316

DATE ISSUED

7/16/98

12. COUNTY OR PARISH

UINTAH

13. STATE

UTAH

15. DATE SPUDDED

3/11/98

16. DATE T.D. REACHED

5/17/98

17. DATE COMPL. (Ready to prod.)

6/24/98

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

5916' GR

19. ELEV. CASINGHEAD

5930' KB

20. TOTAL DEPTH, MD & TVD

4100'

MD

TVD

21. PLUG, BACK T.D., MD & TVD

TD

3757'

PKR

TVD

22. IF MULTIPLE COMPLEMENTS

HOW MANY*

 RECEIVED
 AUG 14 1998
 DIV. OF OIL, GAS & MINING

CABLE TOOLS

NA

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

WASATCH 3606' - 24'

25. WAS DIRECTIONAL
SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

AIW/LC/GR, CNLD/GR, CBL, PEML/GR, MUD LOG

4-1-98

DIV. OF OIL, GAS & MINING

27. WAS WELL CORED

NO

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" J-55	24#	340' KB	11"	SURF-385 SX Class "G" + ADD	NONE
4-1/2" N-80	10.5#	4100'		SURF-425 SX CLASS "G" + ADD	NONE
				TAIL 100 SX CLASS "G" NEAT	
				DV TOOL @ 2318'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	3535'	3757'
					7-7/8"		

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
3930' - 40'	0.46	40
3887' - 97'	0.46	40
3844' - 54'	0.46	40
3606' - 24'	0.46	72

CONFIDENTIAL

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3930' - 40'	500 GALS 7-1/2% HCL ACID
3887' - 97'	500 GALS 7-1/2% HCL ACID
3844' - 97'	1000 GALS VERSOL 11 + NITROGEN FOAM

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)					WELL STATUS (Producing or shut-in)	
5/1/98		FLOWING					PROD	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO	
5/3/98	24	16/64	→	6.6	2073	0		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)		
1325#	1350#	→	6.6	2073	0			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SALES/FUEL

TEST WITNESSED BY

IVAN SADLIER

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

[Signature]

TITLE

ADMINISTRATIVE ASISTANT

DATE

8/6/98

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				WASATCH MESA VERDE	2510' 3970'	+3420' +1960'
COPIES: BLM - VERNAL/ORIG. & 2 COPIES; DIV. OG&M - DALLAS 1 COPY;						

COPIES: BLM - VERNAL/ORIG. & 2 COPIES; DIV. OG&M - DALLAS 1 COPY;

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
MCELVIN OIL & GAS PROPERTIES, INC.

3. ADDRESS OF OPERATOR:
1050 17th Street CITY Denver STATE CO ZIP 80265

PHONE NUMBER:
(303) 893-0933

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

COUNTY:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 5/1/2002	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Oil & Gas Properties, Inc. will take over as operator of the attached wells from Rosewood - effective 5/1/2002.

Bond # RLB0004154

Operator # N2100

RECEIVED

APR 29 2002

DIVISION OF
OIL, GAS AND MINING

Name Gary Taraboe

Title Vice President Rosewood Resources, Inc.

Signature Gary Taraboe

Date 4/23/02

NAME (PLEASE PRINT) John D. Steuble

TITLE Engineering Manager McElvain O & G Properties

SIGNATURE John D. Steuble

DATE 4/12/02

(This space for State use only)

API #	FED #	POOL #	COUNTY	LEGAL	WELL NAME
43-047-32871	UTU-57455	OIL SPRINGS	UNITAH	1 12S 23E SESW	HANGING ROCK FED I # 1-14 WS
43-047-32855	UTU-57455	OIL SPRINGS	UNITAH	1 12S 23E NWNW	HANGING ROCK I # 1-4 WS
43-047-32679	UTU-57455	OIL SPRINGS	UNITAH	1 12S 23E SESE	HANGING ROCK FED I # 1-16
43-047-33098	UTU-57455	OIL SPRINGS	UNITAH	10 12S 23E NESW	HANGING ROCK I # 10-13 WS
43-047-32935	UTU-57455	OIL SPRINGS	UNITAH	11 12S 23E SENE	HANGING ROCK I # 11-8 (WSMVD)
43-047-32936	UTU-57455	OIL SPRINGS	UNITAH	12 12S 23E NWNE	HANGING ROCK I # 12-2
43-047-33096	UTU-57455	OIL SPRINGS	UNITAH	12 12S 23E NWSW	HANGING ROCK I # 12-12 WS
43-047-33101	UTU-57455	OIL SPRINGS	UNITAH	12 12S 23E NESE	HANGING ROCK I # 12-9 WS
43-047-32748	UTU-57455	OIL SPRINGS	UNITAH	12 12S 23E NWNW	HANGING ROCK I # 12-4
43-047-33099	UTU-57455	OIL SPRINGS	UNITAH	15 12S 23 E SWNE	HANGING ROCK I # 15-7
43-047-33100	UTU-66426	OIL SPRINGS	UNITAH	7 12S 24E NWSE	HANGING ROCK F # 7-10
43-047-32937	UTU-66426	OIL SPRINGS	UNITAH	7 12S 24E SENE	HANGING ROCK F # 7-8
43-047-32751	UTU-66426	OIL SPRINGS	UNITAH	7 12S 24E SENW	HANGING ROCK F # 7-6
43-047-32872	UTU-70239	OIL SPRINGS	UNITAH	8 12S 24E NWNW	TUCKER FEDERAL F # 8-4
43-047-32993	UTU-70239	OIL SPRINGS	UNITAH	8 12S 24E NWNE	TUCKER FEDERAL F # 8-2
43-047-33132	UTU-73019	BUCK CANYON	UNITAH	5 12S 22E SENW	ROSEWOOD # 5-6
43-047-32604	UTU-66761	ASPHALT WASH	UNITAH	23 11S 24E SESE	THIMBLE ROCK FED # 23-15
43-047-32757	UTU-08424-A	OIL SPRINGS	UNITAH	6 12S 24E SWSE	TOBY FEDERAL F # 6-15
43-047-32840	UTU-65355	BUCK CANYON	UNITAH	19 11S 22E NESE	ROSEWOOD FED # 28-8
43-047-32603	UTU-66408	ROCK HOUSE	UNITAH	24 11S 23E SWSW	HANGING ROCK # 24-13
43-047-32750	UTU-75206	OIL SPRINGS	UNITAH	17 12S 24E NWNW	CENTER FORK FED # 17-4
43-047-33186	UTU-66409	ROCK HOUSE	UNITAH	22 11S 23E SESE	ROSEWOOD FED H # 22-16



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

June 18, 2002

McElvain Oil & Gas Properties, Inc.
Attn: Mona Binion
1050 17th Street, Suite 1800
Denver, Colorado 80265

Re: Hanging Rock Unit
Uintah County, Utah

Gentlemen:

We received an indenture dated May 1, 2002, whereby Rosewood Resources, Inc. resigned as Unit Operator and McElvain Oil & Gas Properties, Inc. was designated as Successor Unit Operator for the Hanging Rock Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective June 18, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Hanging Rock Unit Agreement.

Your statewide (Utah) oil and gas bond No. 1268 will be used to cover all operations within the Hanging Rock Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-942
File - Hanging Rock Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:6/18/02

Results of query for MMS Account Number UTU73518B

Production	API Number	Operator	Well Name	Well Status	Lease or CA Number	Inspection Item	Township	Range	Section	Quarter/Quart
Production	4304732679	ROSEWOOD RESOURCES INC	HANGING ROCK I 1-16	PGW	UTU57455	UTU73518B	12S	23E	1	SESE
Production	4304732748	ROSEWOOD RESOURCES INC	HANGING ROCK 12-4	PGW	UTU57455	UTU73518B	12S	23E	12	NWNW
Production	4304732751	ROSEWOOD RESOURCES INC	HANGING ROCK 7-6	PGW	UTU66426	UTU73518B	12S	24E	7	SENW
Production	4304732871	ROSEWOOD RESOURCES INC	I 1-14	PGW	UTU57455	UTU73518B	12S	23E	1	SESW
Production	4304732935	ROSEWOOD RESOURCES INC	I 11-8	PGW	UTU57455	UTU73518B	12S	23E	11	SENE
Production	4304732936	ROSEWOOD RESOURCES INC	I 12-2	PGW	UTU57455	UTU73518B	12S	23E	12	NWNE
Production	4304732937	ROSEWOOD RESOURCES INC	F 7-8	PGW	UTU66426	UTU73518B	12S	24E	7	SENE
Production	4304733100	ROSEWOOD RESOURCES INC	F 7-10	PGW	UTU66426	UTU73518B	12S	24E	7	NWSE

Results of query for MMS Account Number UTU73518A

Production	API Number	Operator	Well Name	Well Status	Lease or CA Number	Inspection Item	Township	Range	Section	Quarter/Quart
Production	4304732603	ROSEWOOD RESOURCES INC	HANGING ROCK 24-13	PGW	UTU66408	UTU73518A	11S	23E	24	SWSW

DISCLAIMER for online data: No warranty is made by the BLM for use of the data for purposes not intended by the BLM.

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH

2. CDW ✓

3. FILE

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **05-01-2002**

FROM: (Old Operator):	TO: (New Operator):
ROSEWOOD RESOURCES INC	MCELVAIN OIL & GAS PROPERTIES INC
Address: P O BOX 1668	Address: 1050 17TH STREET, STE 1800
VERNAL, UT 84078	DENVER, CO 80265-1801
Phone: 1-(435)-789-0414	Phone: 1-(303)-893-0933
Account No. N7510	Account No. N2100

CA No.

Unit:

HANGING ROCK

WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
HANGING ROCK FEDERAL 24-13	24-11S-23E	43-047-32603	11723	FEDERAL	GW	P
HANGING ROCK FEDERAL I 1-14	01-12S-23E	43-047-32871	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL I 1-16	01-12S-23E	43-047-32679	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL I 11-8	11-12S-23E	43-047-32935	12306	FEDERAL	GW	P
HANGING ROCK I 12-2	12-12S-23E	43-047-32936	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL I 12-4	12-12S-23E	43-047-32748	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL F 7-6	07-12S-24E	43-047-32751	11889	FEDERAL	GW	P
HANGING ROCK FEDERAL F 7-8	07-12S-24E	43-047-32937	12305	FEDERAL	GW	P
HANGING ROCK F 7-10	07-12S-24E	43-047-33100	12400	FEDERAL	GW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 04/29/2002
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 04/29/2002
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 07/03/2002
- Is the new operator registered in the State of Utah: YES Business Number: 5078926-0143
- If **NO**, the operator was contacted on: N/A
- (R649-9-2) Waste Management Plan received on: IN PLACE

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change,

or operator change for all wells listed on Federal or Indian leases on: 06/18/2002

7. Federal and Indian Units:

The BLM or BIA has approved the successor of unit operator for wells listed on: 06/18/2002

8. Federal and Indian Communization Agreements ("CA"):

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

9. Underground Injection Control ("UIC")

The Division has approved UIC Form 5, **Transfer of Authority to Inject**,

for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 07/03/2002

2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 07/03/2002

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: N/A

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UT 1268

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A

2. The **FORMER** operator has requested a release of liability from their bond on: N/A

The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

43-047-32736

3a. Address
1050 17th Street, Suite 1800, Denver, CO 80265

3b. Phone No. (include area code)
(303) 893-0933

7. If Unit of CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Refer to Attached Well List

9. API Well No.
Refer to Attached Well List

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Refer to attachment for list of wells

12S 23E 12

11. Country or Parish, State
Utah County, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Request for 30 day Extension
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. has been required to submit plans for plugging or re-establish production for several wells. The notice letter was dated April 13, 2007 and received April 20, 2007. We would like to request for a 30 day extension (June 20, 2007) for the wells that we have determined will be plugged. We have asked for a third party to consult on plugging recommendations. They are still currently being reviewed by the third party. We ask for a 30 day extension to review the third parties recommendations and proceed with plugging procedures. Please see attached, the list of wells we are requesting for a 30 day extension.

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

COPY SENT TO OPERATOR

Date: 5/12/07
Initials: [Signature]

Date: 5/18/07
By: [Signature]

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature

[Signature]

Date 05/11/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

RECEIVED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

MAY 15 2007

DIV. OF OIL, GAS & MINING

McElvain Oil & Gas Properties, Inc.
P&A List of Wells Requesting 30 Extension (June 20, 2007)

<u>Lease Number</u>	<u>Well Name</u>	<u>API #</u>	<u>Well Location</u>
UTU-57455	Hanging Rock I # 12-12	43-047-33096	NWSW Sec. 12, T12S-R23E
UTU-57455	Hanging Rock I # 12-9	43-047-33101	NESE Sec. 12, T12S-R23E
UTU-57455	Hanging Rock I # 12-2	43-047-32036 43-047-32936	NWNE Sec. 12, T12S-R24E R23E

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
Refer to attached well list
6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3a. Address
1050 17th Street, Suite 1800, Denver, CO 80265

43-047-32936
3b. Phone No. (include area code)
(303) 893-0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Refer to attached well list

7. If Unit of CA/Agreement, Name and/or No.
Refer to attached well list

8. Well Name and No.
Refer to attached well list

9. API Well No.
Refer to attached well list

10. Field and Pool or Exploratory Area
Oil Springs

11. Country or Parish, State
Utah County, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>Requesting to Haul</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>water & residue cement</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>to existing reserve pit</u>

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. is plugging several wells and would like to request to haul left over water and residue cement from the plugging locations to existing reserve pits located on the Hanging Rock Federal 1-8 (API # 43-047-36042) and/or Tucker Federal 8-6 (API # 43-047-36837) to settle solids and/or evaporate liquids. Please see attached list of plugging well locations.

RECEIVED
AUG 15 2007

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
Barbara Martin

Title Engineer

DIV. OF OIL, GAS & MINING

Signature 

Date 08/13/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

McElvain Oil & Gas Properties, Inc.
P&A List of Wells

<u>Lease Number</u>	<u>Well Name</u>	<u>Unit</u>	<u>API #</u>	<u>Well Location</u>
UTU-57455	Hanging Rock Fed I # 12-12	N/A	43-047-33096	NWSW Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I # 12-9	N/A	43-047-33101	NESE Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I # 12-2	Hanging Rock Unit	43-047-32936	NWNE Sec. 12, T12S-R24E
UTU-57455	Hanging Rock Fed I #10-13	N/A	43-047-33098	SWSW Sec. 10, T12S-R23E
UTU-57455	Hanging Rock Fed #12-8	Hanging Rock Unit	43-047-34439	SENE Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I #15-7	N/A	43-047-33099	SWNE Sec. 15, T12S-R23E
UTU-66426	Hanging Rock Fed #7-14	N/A	43-047-35083	SESW Sec. 7, T12S-R24E

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

7. If Unit of CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Hanging Rock Fed I #12-2

9. API Well No.
43-047-32936

3a. Address
1050 17th Street, Suite 1800, Denver, CO 80265

3b. Phone No. (include area code)
(303) 893-0933

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
676' FNL & 1902' FEL, NWNE Sec. 12 T12S-R23E

11. Country or Parish, State
Uintah County, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. has been required to submit plans for plugging or re-establish production. We propose to plug and abandon the Hanging Rock Federal #12-2 (API# 43-047-32936) by the following procedure:

CIBP @ 2750' with 50' cement (± 4 sxs)
Plug Mud 2700' to 450'
200' cement plug 450' to 250' (± 15 sxs)
Plug Mud 250' to 50'
50' cement plug 50' to Surface (± 4 sxs)
Cut off wellhead
Install Dry Hole Marker

Please see attached P&A Wellbore Diagram

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

Date: 7/23/07
By: [Signature]
* recommend 100' cement plug above CIBP @ 2750'

COPY SENT TO OPERATOR

Date: 7/26/07
Initials: [Signature]

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Barbara Martin

Title Engineer

Signature

Date 07/17/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

RECEIVED

JUL 19 2007

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(Instructions on page 2)

DIV. OF OIL, GAS & MINING

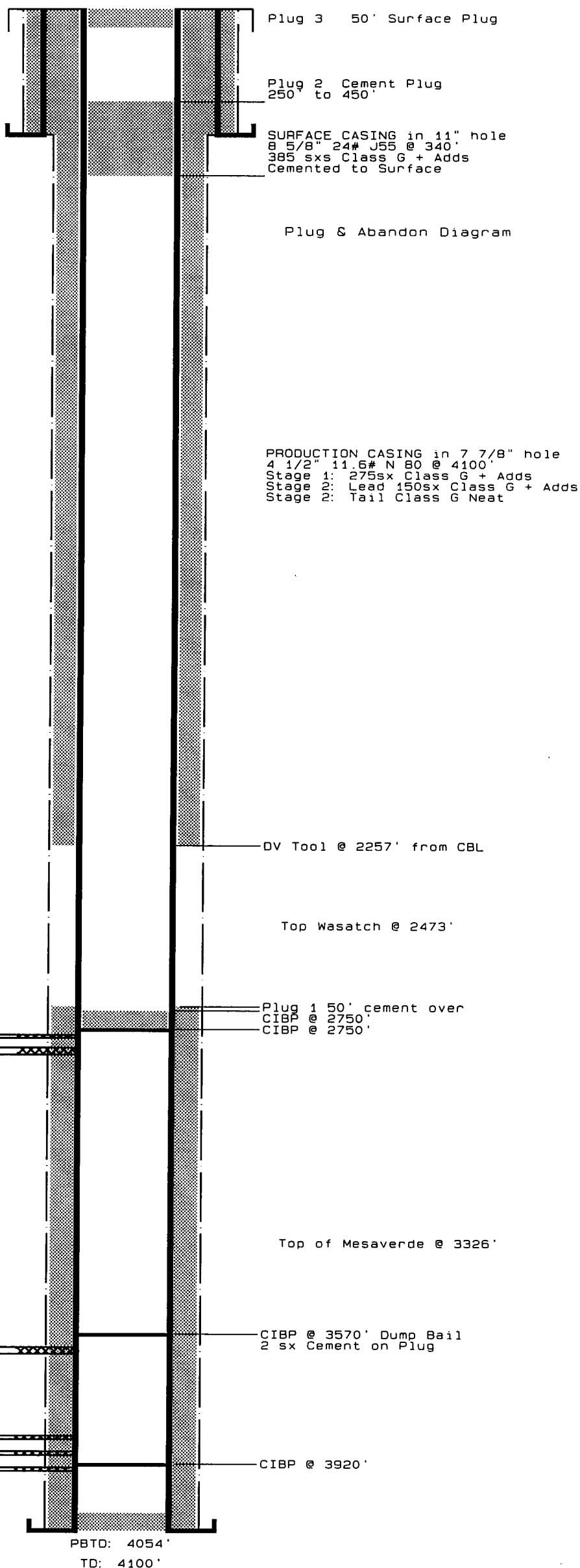
Hanging Rock Fed 12-2

NWNE Sec 12 T12S-R23E

Uintah County Utah

API# 43-047-32936

Wellbore asof 8-3-00



16 Jul 2007

File: HRF I 12-2 P&A.WP4

Diagram: 0' to 4100'
VERT Scale: 1"=331'

UTAH DIVISION OF OIL, GAS AND MINING
NOTICE OF REPORTING PROBLEMS

Operator: McElvain Oil & Gas Properties, Inc. Account: N2100 Today's Date: 09/16/2008

Problems:

- ☐ Late Report(s)
☐ Inaccurate Report(s)
☐ Incomplete Report(s)
☒ Other: No Subsequent Report

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

To avoid compliance action, these reporting problems should be resolved within 7 days.

Send reports to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Fax to:

(801) 359-3940

43 047 32936
Hanging Rock II 12-2
12S 23E 12

Type of Report	Month(s) of Problem Report		
<input type="checkbox"/> Production – Form 10 <input type="checkbox"/> Disposition – Form 11 <input type="checkbox"/> Gas Plant – Form 13 <input type="checkbox"/> Enhanced Recovery – UIC Form 2 <input type="checkbox"/> Injection – UIC Form 3 <input type="checkbox"/> Other _____			
Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
<input type="checkbox"/> Spud Notice – Form 9 <input type="checkbox"/> Drilling Reports – Form 9 <input type="checkbox"/> Well Completion Report – Form 8 <input checked="" type="checkbox"/> Other <u>Subsequent Sundry</u>	<input checked="" type="checkbox"/> List Attached		

Description of Problem:

Operator has submitted sundry of intents on the following wells that have been approved by DOGM. Per Rule 649-3-23, a subsequent report shall be submitted on Form 9, Sundry Notice, with in 30 days after completion. The report should show workover results, well status, work completion date, new perforation depths, etc.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File
RAM
Well File
CHD

UTAH DIVISION OF OIL, GAS AND MINING

NOTICE OF REPORTING PROBLEMS

ATTACHMENT

Operator: McElvain Oil & Gas Properties, Inc. Account: N2100 Today's Date: 09/16/2008

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
UTU-57455

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3a. Address
1050 17th Street, Suite 1800, Denver, CO 80265

3b. Phone No. (include area code)
(303) 893-0933 xtn 330

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
676' FNL & 1902' FEL (NWNE) S8c. 12, T12S-R23E

7. If Unit of CA/Agreement, Name and/or No.
Hanging Rock Unit

8. Well Name and No.
Hanging Rock Federal I #12-2

9. API Well No.
43-047-32936

10. Field and Pool or Exploratory Area
Oil Springs

11. Country or Parish, State
Utah County, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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McElvain Oil & Gas Properties, Inc. P&A'd the well 9/15/07 thru 9/17/07. A P&A ground plate was installed on 10/12/07. The location was reclaimed and reseeded on 11/9/07. The down-hole P&A procedure was as follows:
9/15/07 MURU A-Plus Well Service. Blow well down. NU BOPE. Pull & lay down packer. TIH w/tubing & tag existing CIBP @ 3570'. SDFN.
9/16/07 Pump 25 sack Type II Cmt (30 cf) PLUG #1 from 3570 to 3232'. TOOH w/tbg. RU wireline & set Alpha CIBP @ 2700'. RD Wireline.
TIH w/tubing. Tag CIBP. Establish circulation & pump 42 bbls plug mud. Pressure test casing to 800 psi. Pump 43 sack Type II Cmt (51 cf) PLUG #2 from 2700 to 2119'. TOOH w/tbg. RU wireline & perf 3 squeeze holes @ 390' but unable to pump into w/1100 psi. TIH w/tbg. to 558'. Pump 54 sack Type II Cmt (64 cf) PLUG #3 from 558' to 62'. Pull tbg. Fill Csg. w/Cmt & hesitate squeeze down csg placing additional 10 sx cement out squeeze perfs before pressure up to 1000 psi. RIH w/tbg. & wash out cement to 62'. Pull tubing. Load casing & hold 1100 psi pressure overnight on squeeze holes.
9/17/07 RU wireline. RIH w/guns & tag TOC @ 70'. Perf 3 squeeze holes @ 40'. RD wireline. Establish circulation through squeeze holes. Pump 23 sack Type II Cmt (28 cf) down casing, thru squeeze holes & out bradenhead. Hesitate squeeze additional 10 sacks cement into bradenhead until pressure up to 900 psi. SI well & WOC. ND BOPE. Digout around wellhead. Cut-off wellhead & found cement @ surface. RDMO A-Plus Well Service.
10/12/07 Install ground plate P&A marker.
11/9/07 Ponderosa Oil Field Service reclaimed location (returned to grade) & reseeded.

(BLM Inspector Cliff Johnson 1st day, 2nd & 3rd day Bill Owens. Cliff Johnson on location for plate weld.)

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

E. Reed Fischer

Title Senior Operations Engineer

Signature

Date 04/12/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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Title

Date

Office

RECEIVED

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APR 13 2009

(Instructions on page 2)

DIV. OF OIL, GAS & MINING

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 * fax: 505-325-1211

McElvain Oil & Gas Properties, Inc.
Hanging Rock Federal I #12-2

September 20, 2007
Page 1 of 1

676' FNL & 1902' FEL, Section 12, T-12-S, R-23-E
Lease Number: UTU-57455
Uintah County, Utah
API #43-047-32936

Plug & Abandonment Report

Plugging Summary:

- 9/15/07 MOL. RU. Check well pressures: casing and tubing, 0 PSI; bradenhead, 190 PSI. Blow well down. Change out bradenhead valve. ND wellhead. NU BOP, test. Strip off tubing hanger and strip on BOP; test. Note: Arrow set packer at 2710'. TOH and tally 86 joints, 2' pup, 3' pup, and 3 - 8' pup joints, SN, 4.5" Arrow set packer with on/off tool, XN nipple and glass disc sub. TIH and tag existing CIBP at 3570'. Shut in well. SDFD.
- 9/16/07 Check well pressures: tubing, 60 PSI; casing, 0 PSI; bradenhead, 5 PSI. Blow well down.
Plug #1 with existing CIBP at 3570', spot 25 sxs Type II cement (30 cf) inside casing from 3570' up to 3232' to isolate the perforations.
TOH with tubing. RIH and set 4.5" Alpha wireline CIBP at 2700'. TIH with tubing and tag CIBP. Establish circulation out casing valve with 2.5 bbls of water. Circulate clean with additional 42 bbls with corrosion inhibitor. Pressure test casing to 800 PSI. Attempt to pressure test bradenhead to 500 PSI, bled down to 0 PSI in 1.5 minutes.
Plug #2 with CIBP at 2700', mix and pump 43 sxs Type II cement (51 cf) inside casing from 2700' to 2119' to isolate the perforations.
TOH with tubing. Perforate 3 squeeze holes at 390'. Ryan Angus, BLM, requested procedure change. Load casing with 5 bbls of water. Attempt to establish rate pressured up to 1100 PSI, bled off to 0 PSI in 30 seconds. TIH with tubing to 558'.
Plug #3 1st mix and pump 54 sxs Type II cement (64 cf) inside casing from 558' to 62', then LD tubing; 2nd load casing with cement and hesitate squeeze 10 sxs outside 4.5" casing until casing pressured up to 1000 PSI and held; 3rd RIH with 62' of tubing and reverse circulate cement from 62' to surface; 4th shut in and pressure up casing to 1100 PSI and hold. Shut in both casing and bradenhead and WOC overnight. SDFD.
- 9/17/07 Check well pressures: casing - lite blow, dead and bradenhead 0 PSI. RIH with perf gun and tag cement at 70'. Attempt to pressure test bradenhead to 500 PSI, bled down to 0 PSI in 20 seconds. Perforate 3 squeeze holes at 40'. BLM approved procedure change. Pump 2.5 bbls of fresh water down casing and circulate well clean.
Plug #4 mix and pump 23 sxs Type II cement (28 cf) down 4.5" casing from 40' to surface, circulate good cement out bradenhead. Hesitate squeeze 10 sxs into bradenhead until it pressured up to 900 PSI and held. Shut in well and WOC. ND BOP. Issue Hot Work Permit. Dig out and cut off wellhead. Found cement at surface in 4.5" casing. Mix 20 sxs Type II cement, top off casing and annulus, install ground plate P&A marker. RD and MOL.

Cliff Johnson, BLM representative, was on location.
Reed Fisher, McElvain representative, was on location.

29792

Date 9/15/07 Day SATURDAY

Company McELVAIN

Fuel & Motor Oil _____ Water Hauled 120 bbls fresh water, 20 gal from trucking
 Rental Equipment Westroc pit truck, water tank, water pit and pump to loc. Cement Retainers _____
 Cementing _____
 Wireline _____

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	GEORGE ARCHULETA, WTR TRUCK 253, PUMP TK 206 TO LOCATION	73		
Operator	DEREK COMANCHE, TK #36 W/ PUSHER TLR TO LOC.	36		9.5 hrs
Derrick	FRANCISCO MARTINEZ, TK #73 W/ PUSHER TLR TO LOC.			9.5 hrs
Floors	DWIGHT MURSO, TK #52 W/ DOG HOUSE TO LOC.			9.5 hrs
Floors	JESSIE LOZOYA			9.5 hrs
Floors	SHIL STUART, WIRELINE #231, CHIT TK #43 RIG 7 TO LOC.	52		

Daily Report

A - PLUS WELL SERVICE

P.O. BOX 1979 • FARMINGTON, NM 87499
505-325-2627 • FAX (505) 325-1211

29795

Rig No. 7Date 9/16/07 Day SUNDAYWell Name Hanging Rock Fed. 1#12-2Company McELWAIN

FROM	TO	DESCRIPTION OF OPERATION
5:00	7:00	TRAVEL TO LOCATION.
7:00	7:30	SERVICE + WARM Rig AND EQUIPMENT/ held. safety meeting.
7:30	7:45	Check pressures. thg 60psi, CSQ OPSI, BH SPSI. Blow down well.
7:45		RU pump on thg, pump 8bbls fresh WTR.
		plug 1, mix + pump 25 SXS 15.6# 29.5 cu ft TYPE 2 CMT
	8:15	From 3570-3232 TOC.
8:15	9:15	LD thg TO 2671 TOH
9:15	10:00	RUN IN Hole AND SET 4 1/2" ALFA CIBP AT 2700 (wireline)
10:00	10:30	Tth WITH 2 3/8" thg AND TAG CIBP
10:30		pump ON thg AND establish CIRCULATION OUT CSQ WITH 2 1/2 bbls,
		CIRCULATE clean WITH ADDITIONAL 42 bbls w/corrosion INHIBITOR.
		Shut IN AND TEST 4 1/2" TO 800#/test OK. Load 8 5/8" w/1.5 bbl
	11:15	AND TEST TO 500#/bleeds OFF TO OPSI IN 1 1/2 minute-NO test.
11:15		plug 2, mix + pump 43 SXS 15.6# 50.7 cu ft TYPE 2 CMT
	11:30	From 2700-2119 TOC.
11:30	12:30	UP thg TO 465 TOH
12:30		RUN IN Hole AND PERF 3 HSC HOLES AT 390' (50' below shoe)
		REQUESTED BY RYAN ANGUS W/BLM. Load CSQ w/5bbls AND pressure
		TO 1100#/bleeds OFF TO OPSI IN 40 seconds. pressure 8 5/8"
	1:15	TO 500PSI, bleeds OFF TO OPSI IN 30 seconds.
1:15	1:30	Tth WITH thg TO 558, Load Hole
1:30		plug 3, mix + pump 54 SXS 15.6# 63.7 cu ft TYPE 2 CMT
		From 558-62 TOC, w/10 SXS outside CSQ AND w/37 SXS INSIDE
		CSQ. (pumped CMT from 558-surface w/good CMT RETURNS, LD
		ALL thg, Load CSQ w/CMT AND squeeze 10 SXS outside UNTIL
		pressured TO 1000#/held. RUN IN Hole w/62' of thg AND
		Reverse CIRCULATE OUT CMT from 62' TO surface. Shut IN AND
		Pressure UP CSQ TO 1100# AND held. Shut CSQ AND BH IN
	2:30	for WOC. secured AND Shut DOWN FOR day).

2:30 5:00 TRAVE back TO Hotel, Heavy RAIN @ Loads TO disposal Sams
Fuel & Motor Oil Water Hauled UNIT 2.55

Rental Equipment

Cement Retainers @ 4 1/2" ALFA CIBP AT 2700

Cementing plug 1 w/25 SXS, 2 w/43 SXS, 3 w/54 SXS

Wireline 4 1/2" ALFA CIBP AT 2700, Perf 3 holes AT 390

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	George A.	73		
Operator	Derek C.	36		12
Derrick	FRANCISCO H.			12
Floors	DAUGHT A.			12
Floors	Jessie L.			12
Floors	SAM S.	92		

Daily Report

A - PLUS WELL SERVICE

29796

P.O. BOX 1979 • FARMINGTON, NM 87499
505-325-2627 • FAX (505) 325-1211Rig No. 7Date 9/11/07 Day MondayWell Name Hanging Rock FED. 1#12-2Company McELWAIN

FROM	TO	DESCRIPTION OF OPERATION
5:00	7:00	TRAVEL TO LOCATION.
7:00	7:30	SERVICE + WMM RIG AND EQUIPMENT/HELD SAFETY MEETING.
7:30		CHECK WELL PRESSURES, CSG - LIFE BLOW, DEAD. BL. O.
		RUN IN HOLE WITH PERF GUN AND TAG TOC AT 70'
		RI PUMP ON 8 5/8", pressure TO 900-0 IN 20 SECONDS.
		PULL UP HOLE AND PERF 3HSC HOLES AT 40' - OK BY BLM.
		PUMP DOWN 4 1/2" CSG AND ESTABLISH CLEAN CIRCULATION OUT
	8:00	8 5/8" WITH 2 1/2 BBLs FRESH MTR.
8:00		PLUG 4 SURFACE, MIX + PUMP 23 SXS 15.6 # 27.1 CU FT TYPE 2
		CMT DOWN 4 1/2" AND OUT 8 5/8" WITH GOOD RETURNS, SQUEEZE
		10 SXS INTO 8 5/8" UNTIL PRESSURE UP TO 900 #/HELD (HESSITE).
12:00	12:00	SHUT IN/WOC. RD CMT EQUIPMENT/PREPARE FOR RD. ND REP.
12:00	1:00	RD UNIT, CLEAN AND MOVE OFF LOCATION.
		4 1/2" CMT AT SURFACE, LEFT 8 5/8" SHUT
		IN. CUT OFF WH. TOMORROW

Fuel & Motor Oil _____ Water Hauled _____

Rental Equipment _____ Cement Retainers _____

Cementing PLUG 4 W/23 SXS, DIRM W/20 SXSWireline PERF 3HSC HOLES AT 40'

SAM STUART UNIT 231

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	GEORGE ARCHULETA	73		
Operator	DEREK COMACHE	36		8
Derrick	FRANSICO MARTINEZ			8
Floors	DIWIGHT ARUIRO			8
Floors	JESSIE LOZOYA			8
Floors	SAM STUART			